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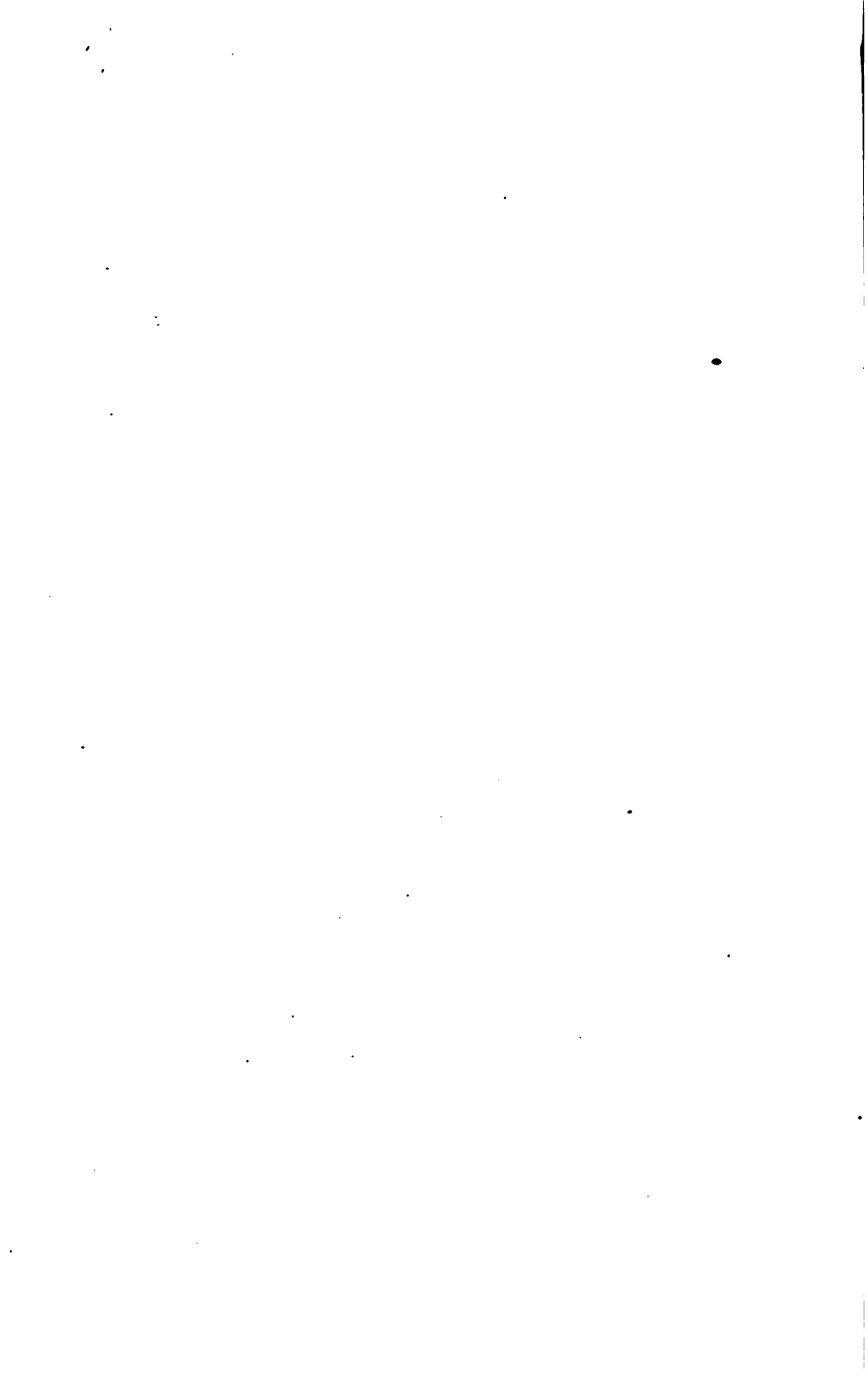
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1906.



✕ SIXTH ANNUAL REPORT

OF THE

U.S. PHILIPPINE COMMISSION.

1905.

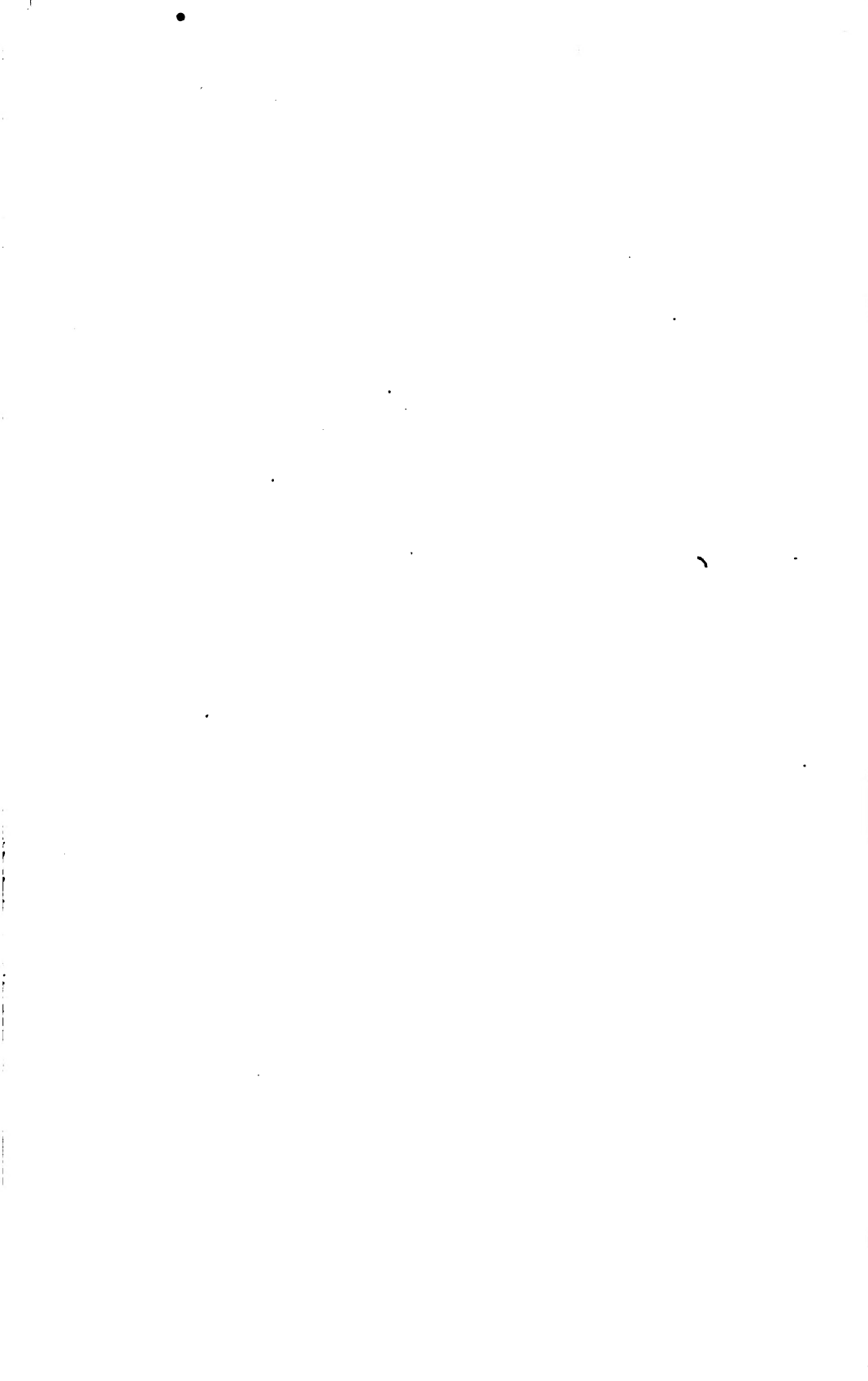
(IN FOUR PARTS.)

PART 4.

BUREAU OF INSULAR AFFAIRS : : WAR DEPARTMENT.



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**FOURTH ANNUAL REPORT OF THE SECRETARY OF
FINANCE AND JUSTICE
TO THE PHILIPPINE COMMISSION.**



REPORT OF THE SECRETARY OF FINANCE AND JUSTICE.

DEPARTMENT OF FINANCE AND JUSTICE,
Manila, November 1, 1905.

GENTLEMEN: I have the honor to submit a report on matters, legislative and executive, pertaining to the department of finance and justice in the Philippine Islands during the fiscal year 1905, and likewise covering, in certain bureaus, data subsequent to the close of that fiscal year.

ADMINISTRATION OF JUSTICE.

Aside from the justices of the peace, the judicial system established in the Philippine Islands has, during the past year, proved satisfactory. Since the return of the especially large number of judges who, during the fiscal year 1904, enjoyed their accrued leaves of absence away from the islands, the number of judges has been sufficient to hold the regular terms at times prescribed by law in all cases, with the exception of the anomalous situation that existed for a time in the supreme court. Owing to the absence of some of the judges of that court on leave and the existence of certain vacancies, there was no quorum of the court present between July 1 and December 1, 1904, by reason whereof there was a large accumulation of business, attention to which was called in the third annual report from this office. Early in December the court was able to resume its hearings and has made rapid progress in the disposition of pending cases.

By reason of the decision of the Supreme Court of the United States, that the government had no right to appeal from the decision of judges of courts of first instance in criminal matters, a considerable number of cases in which such appeals had been taken, were, on motion, dismissed. It is hoped, but not yet demonstrated, that the supreme court will hereafter be able to keep substantially abreast of its business, particularly in view of the act of Congress, approved February 6, 1905, whereby the government of the Philippine Islands was authorized to prescribe a compensation for the chief justice and associate justices of the supreme court of the islands not to exceed \$10,500 for the chief justice and \$10,000 for each associate justice per annum, and providing also that whenever, by reason of temporary disability of any judge of the supreme court, or by reason of vacancies occurring therein, a quorum of the court should not be present for business, the governor-general is authorized to designate a judge or judges of the court of first instance to sit and act temporarily as a judge or judges of the supreme court in order to constitute a quorum of the supreme court for business. This provision will enable the supreme court at all times to have a quorum and prevent a recurrence

of the conditions which existed during the last year. In pursuance of the authority given by that act of Congress, the Commission on April 1, 1905, passed Act No. 1314, increasing the salaries of the chief justice and associate justices of the supreme court to \$10,000 per annum.

It is not believed that further legislation at this time is necessary to enable the supreme court to handle the business properly brought before it, aside from such provision as may be made in the new penal code to diminish the number of appeals in criminal cases. The amount of criminal business during the past year has, as before, been largely in excess of civil, owing mainly to the prevalence of disorders in certain provinces and the necessity for dealing with bands of outlaws and thieves.

There has been some discussion in the Spanish and Filipino papers in regard to the assignment of judges for the different provinces either in aid of the regular judge when he has an excess of business or for the purpose of holding terms in his absence. The objection is made that the existing law gives administrative officers a right under certain circumstances to assign a particular judge to a term of court at which particular cases are tried, whereby the executive might be put in the attitude of selecting particular judges for particular cases in which the government is assumed to have more or less special interest. The complaint is absolutely groundless. As a matter of fact, assignments have been made in all cases to meet special exigencies caused by the absence of judges or to furnish to a judge aid in cleaning up the docket in his district, or to utilize judges at large who are not needed in courts of first instance as judges in the court of land registration. While the objection to the present system is unfounded in fact, it may theoretically be valid. To meet this theoretical objection a draft of a law will be submitted to the Commission, with a recommendation for its enactment, providing that the assignment of judges of the courts of first instance in the various provinces for the purpose of holding special terms or aiding another judge or for performing the duties of the court of land registration shall be made by the chief justice of the supreme court when the necessity for any assignment shall be made evident through the proper channels.

JUSTICE OF THE PEACE SYSTEM.

Criticism has been made, doubtless justly, in regard to the administration of the courts of justice of the peace. Under the existing system a justice of the peace and auxiliary justice of the peace are appointed for each municipality by the governor-general, with the approval of the Commission. The recommendations upon which the governor-general acts come from the provincial boards, who might be assumed to have more knowledge of the fit men in the various municipalities than others could have. For a time a considerable number of justices of the peace thus appointed resigned and were excused and others appointed in their places owing to the onerous duties imposed under the existing procedure in criminal cases and the small fees allowed therefor. Of late this difficulty has not been so great as in the past, but complaints are frequent that justices of the peace abuse their authority and practice extortion upon the people.

Whenever such extortion is proven, the justices of the peace have, after investigation, been dealt with and removed, but the complaints are still quite general that justices of the peace instead of being protectors of the people are their oppressors. Reform is needed. A scheme has been favorably recommended by persons competent to judge providing that each province be divided into justice of the peace districts and for the appointment of a justice of the peace for each district with a salary affixed to the office, the payment of fees charged to be made not to the justice of the peace, but to the insular, provincial, or municipal treasurers, as might be provided. It is urged that with such a system a higher grade of men would accept the office and that it would tend largely to prevent the extortion and oppression which in some cases are now practiced. On the other hand, judges and lawyers equally competent to form an opinion are convinced that the new system would be worse than the old, in that the justice of the peace would no longer be an official at home in each municipality and easily accessible and who could issue process authorizing arrest immediately after the commission of a crime, but might be many miles away, and owing to the consolidation of municipalities territorial limits of single municipalities are now very large, and it might often occur that no justice of the peace would be available without traveling 20 or 30 or more miles to obtain a warrant, which would be impracticable during portions of the year and would furnish opportunities for the escape of criminals or intimidation of witnesses before access to a justice of the peace could be obtained; that suitable men could not be obtained for the positions without the payment of considerable salaries and traveling expenses for the justices, and possibly a clerk for each justice; that neither the municipal, provincial, nor insular treasuries are in condition to bear the great expense thus added; that there would be great danger of picapleitos, of pettifoggers, having a little but dangerous knowledge of the law, securing the appointments, and that the extortion and oppression would be worse than ever before. It is probable that a great improvement could be made in the work of these home tribunals without entirely destroying the present system by authorizing and requiring judges of the courts of first instance to investigate and make recommendations as to suitable persons to be appointed justices of the peace; to hold sessions of instruction for the justices within their several provinces in the performance of their duties; to oversee the manner in which those duties are performed, and to take immediate steps to correct such abuses and cause those perpetrating them to be properly dealt with, coupled with a reform of procedure in criminal cases, such as to make the duties of justices of the peace less onerous than they now are. I recommend the latter course instead of the creation of justice of the peace districts, and shall present to the Commission a draft of a law to accomplish that result, with a recommendation for its passage.

It ought to be remarked that upon the invitation of the governor-general the judges of the supreme court have met the Commission and have expressed their views upon this important subject, and that they all concur in the recommendations above contained that the present system be not abolished, but that the reforms above indicated be made.

NEW LEGISLATION RELATING TO COURTS.

Aside from the legislation above referred to, providing for an increase in the salaries of the justices of the supreme court and a method of securing a quorum therein, new legislation has not been of great importance, the system having been already completely established by prior legislation.

The procedure provided by law for the condemnation of lands for public use, while adequate for ordinary purposes, was found not to be sufficiently elastic and expeditious to meet the necessities in case of railroad corporations attempting to extend their lines through lands the titles to which are often uncertain. Great delay has been experienced in such cases. To meet that difficulty, on November 13, 1904, Act No. 1258 was enacted, making additional provisions in that respect such that, while the rights of owners of lands would be fully protected, yet great public enterprises like railroads would not be delayed through long litigation over titles. The ownership of the lands is not necessarily to be decided in advance, but by virtue of the provisions of this act the values of the lands sought to be taken can be expeditiously ascertained and condemnation after due notice decreed, but the money can be paid into court and the lands immediately occupied by the corporation seeking condemnation, leaving the title as between the several claimants, or the government if public lands, to be subsequently litigated between the parties in interest. This act, it is believed, will meet the whole requirements of the situation.

The Moro government act, providing for the organization of a government for the Moros, contains special and specific provisions as to the codification of native and Moro laws and customs in such way that justice might be administered throughout that province in accordance with such laws and customs. It was found, however, that there were no laws and customs of general application throughout the Moro Province, and that the laws were not written, nor did the same customs prevail in regions separated by but little distances. There was nothing to codify. Such rudimentary laws and customs as could be ascertained were in many cases so crude and barbarous and contrary to all ideas of justice that it would have been a travesty to have attempted to act in accordance with them. On recommendation, therefore, of the governor and the legislative council of the Moro Province, the subject of organization of courts and codification of laws in that province was dealt with anew in Act No. 1283, passed January 13, 1905, whereby the legislative council was authorized to amend the criminal laws of the Philippine Islands to suit conditions among the Moros and other non-Christian tribes, and to cause such laws to conform, when practicable, to the local customs and usages of such inhabitants, and for the substituting of laws so modified to apply only in all civil actions to which each of the parties is either a Moro or a member of some other non-Christian tribe, and in all criminal actions as to such of the accused as are Moros or members of some other non-Christian tribe. In all other civil actions and in all criminal actions as to accused who are neither Moros nor members of some other non-Christian tribe the substantive criminal and civil law of the Philippine Islands will apply and be in force as in other provinces. The legislative council was also authorized to provide for tribal ward courts to consider and decide minor civil actions in which

the parties in interest, or any of them, are Moros or members of some other non-Christian tribe, and minor criminal actions in which the accused, or any of them, are Moros or members of some other non-Christian tribe. In each district of the province the governor and secretary of the district are made justices of tribal ward courts, and such number of auxiliary justices may be appointed as the efficient administration of justice may require. Appeals are allowed from the judgments of the tribal ward courts to a judge of the court of first instance. In case no appeal is allowed, however, the governor of the province is authorized to review the sentence of the tribal ward court. Justices of the peace are not given authority to try cases, the jurisdiction of which is given to the tribal ward courts. These special provisions for the Moro Province are doubtless better adapted to the peculiar conditions there existing than those before prevailing. Experience had demonstrated the necessity for the change.

By Act No. 1313, passed April 1, 1905, the office of the attorney-general was reorganized in such manner as to secure more efficient working of the force authorized by law.

For the purpose of economy, as well as efficiency in civil cases, laws have been enacted providing for the consolidation in some instances of the offices of fiscal for two provinces, so that one fiscal, or prosecuting attorney, shall perform the duties of fiscal for both.

The court of first instance for the province of Abra has been abolished, that province having been consolidated with the province of Ilocos Sur.

Controversies have prevailed all over the islands ever since the establishment of civil government as to the ownership and right of possession or administration of churches, convents, and cemeteries, in many cases the municipalities claiming the right of ownership or administration of such properties, in others the Roman Catholic Apostolic Church claiming such rights, and in others the so-called Independent Filipino Church. Those controversies so affected the general peace and good order of the community that it was deemed expedient to provide means for the expeditious and just settlement of all. For that reason, on July 24, 1905, Act No. 1376 was passed, giving the supreme court of the islands jurisdiction to determine expeditiously the title to and right of possession of all such properties, under a procedure wherein all parties in interest should have due notice and whereby all defendants holding separate and distinct possession of properties in the same province might be embraced in one action. The parties in interest, however, are not obliged to avail themselves of the provisions of the law referred to, but have still open to them the ordinary procedure through the courts of first instance or court of land registration. This act was passed after most careful consideration and consultation with the Secretary of War.

Various minor acts have been passed relating to times and places for holding terms of courts and affecting procedure, which are unnecessary to be particularly referred to.

COURT OF CUSTOMS APPEALS.

Since the decision of the so-called "insular cases" by the Supreme Court of the United States, questions relating to the right to assess customs duties at all on imports into and exports from the Philippine

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Islands no longer arise. Likewise decisions have so fully been made as to the classification of goods imported that appeals on that account are now very infrequent. It has been found, therefore, that a separate court of customs appeals was no longer necessary, and Act No. 1405 was passed on the 13th day of October, 1905, abolishing the court and transferring all its functions to the court of first instance of the city of Manila, with the right to appeal to the supreme court on exceptions in the same manner as in other cases, with a proviso that criminal prosecutions for violation of the customs laws shall be tried in the courts of first instance of the provinces where the offenses are committed.

COURT OF LAND REGISTRATION.

The court of land registration has been in successful operation throughout the year, and some estates involving very large areas have passed through that tribunal and the titles have been determined. The work of that court is shown by the fact that 676 applications have been received during the past year, making a total of 1,653 applications filed since the beginning of the court. The number of cases finally decreed during the year from September 1, 1904, to September 1, 1905, was 526. Some of the cases involved large haciendas, where opposition was interposed by several hundred people. The judges of the court have not been able unaided to keep abreast of their work, but judges at large of the courts of first instance have been assigned to aid them wherever needed, and the work is not greatly in arrears.

The question whether prescription runs against the government as to public lands has not yet been finally determined by the supreme court. The bringing of lands within the purview of the court of land registration has not proceeded at a satisfactory pace, owing, in part, to the poverty of the people, who are unable to pay the very modest fees required by the land-registration act for securing the title, and in part to the fears entertained by many occupants of lands that their titles are not good and that they would be declared bad by the court, and that therefore they would be in worse condition than before the matter was agitated. It will eventually be necessary, probably, to make the land-registration law compulsory, but the time has not yet arrived for such action. It is suggested, however, that provision might be made by law that in the administration of all estates real estate belonging to each deceased person should be brought under operation of the law before distribution is decreed. This would tend gradually to bring all private properties under the operation of the law, as estates are settled through the courts.

CRIMINAL CODE AND CODE OF CRIMINAL PROCEDURE.

The committee referred to in the Third Annual Report from this office, for the preparation of a code of criminal law and procedure, filed its report during the year, and after its reception it was printed and distributed to the bar and public generally, and public sessions were held for its discussion. Many suggestions of desired modifications were made orally and in writing, and were briefed for use of the Commission. While the Commission was at Baguio, in April and May last, the code was taken up section by section and every suggestion that had been made carefully considered. The criminal code

proper was all practically disposed of by the Commission, but there was not time, with the press of other duties, to complete the consideration of the code of procedure, and inasmuch as both of these are to be treated as part of one law and one code interdependent, the code has not yet been enacted.

CHANGES IN THE PERSONNEL OF THE COURTS.

At the date of the last report from this office there were two vacancies in the office of judge of the supreme court, occasioned by the resignations of Hon. Charles A. Willard and Hon. John T. McDonough. Subsequently Hon. Joseph T. Cooper tendered his resignation. One of the vacancies was filled by the promotion of Hon. A. C. Carson, judge of the court of first instance of the eleventh judicial district, who assumed the duties of his office in December, 1904, and another has been filled by the reappointment of Hon. Charles A. Willard, formerly judge of the supreme court. Judge Willard entered upon his duties in the month of April, 1905. The remaining vacancy has been filled by the appointment of Hon. James F. Tracey, of Albany, N. Y., who has not yet entered upon the performance of his duties, but is expected to reach Manila about December 1. Hon. Adolph Wislizenus, judge at large of the court of first instance, was, on December 15, 1904, appointed judge of the eleventh judicial district, vice Hon. Adam C. Carson, promoted. On January 1, 1905, Hon. Charles S. Lobingier, judge at large, was appointed judge of the twelfth judicial district, vice Hon. James H. Blount, who was made judge at large. On the same date Hon. James C. Jenkins, judge at large, was made judge of the third judicial district, vice Hon. A. F. Odlin, resigned. On October 5, 1904, Hon. Amasa S. Crossfield, judge of the court of customs appeals, was appointed judge of the court of first instance in the city of Manila, vice Hon. Byron S. Ambler, resigned. On January 1, 1905, Hon. James Ross, of Illinois, was appointed judge at large to succeed Hon. Adolph Wislizenus, appointed judge of the eleventh judicial district. On the same date Hon. Ramón Avanceña was appointed judge at large, vice Hon. James C. Jenkins, appointed judge of the third judicial district. On April 1, 1905, Hon. Washington L. Goldsborough was appointed judge of the court of land registration, vice Hon. D. R. Williams, resigned.

Judge Ross came to the islands in December, 1899, as a captain in the Forty-fifth U. S. Volunteer Infantry; was appointed governor of the province of Ambos Camarines on August 9, 1901, and served until July, 1903, when he was appointed supervisor of fiscals in the office of the attorney-general, which position he held until the 1st day of January, 1905, when he was promoted to the bench.

Judge Avanceña is a native of the province of Iloilo, and had been practicing law in the Philippine Islands for four years. He was appointed assistant attorney to the solicitor-general and served in that position from January 17, 1902, to January 1, 1905, when he was promoted to his present position.

Judge Goldsborough came to the islands in 1899 with the Forty-third U. S. Volunteers, and served as captain in that regiment until June 30, 1901; served as public prosecutor of the city of Manila until August 7 of that year, and as assistant chief of constabulary from August 7 to January 27, 1902; was appointed city

attorney of Manila in January, 1902, and held that position until April 7, 1903, when he was appointed assistant attorney-general and served in that capacity until his promotion to the bench.

It will be observed that all the promotions and appointments above stated were made from persons in service in the Philippine Islands prior to their appointment, with the exception of Hon. James F. Tracey, appointed by the President as judge of the supreme court. The policy of making such appointments and promotions of persons who have acquired a knowledge of the Filipino people and to a considerable degree of the Spanish language and of the local laws both as to procedure and substantive law, is believed to be a wise one, both because it secures to the judiciary persons whose qualifications are thoroughly well known and because it likewise is an incentive to all others in the judicial service or in the bureau of justice to fit themselves for promotion by faithful and efficient performance of their duties.

Hon. Warren H. Ickis, judge of the thirteenth judicial district, died in June, 1905, of disease contracted in the line of duty. The vacancy thus created has not yet been filled. Judge Ickis rendered faithful and efficient service, and his death is greatly regretted by all connected with the administration of justice in the Philippine Islands, as well as by the public at large, with whom he had been brought into official relations.

Hon. Felix M. Rojas, judge of the court of customs appeals at the time of its abolition, has been recently appointed president of the municipal board of the city of Manila.

ATTORNEY-GENERAL'S OFFICE.

The report of the attorney-general, giving a detailed description of the work of the bureau of justice, is hereto annexed and marked "Exhibit No. 1."

During the year 7 Americans and 77 Filipinos have applied for admission to the bar, of whom 7 Americans and 46 Filipinos passed the examination and were admitted.

The number of civil cases on the docket of the supreme court was 192 greater on September 1, 1905, than on September 1, 1904, while the number of criminal cases pending on September 1, 1905, was 22 less than on September 1, 1904. The reduction in the number of criminal cases is owing, in part, to the dismissal of cases appealed by the government under the decision of the Supreme Court of the United States in the Kepner case. The failure of the Supreme Court to make a greater reduction is due in considerable part to the several months of enforced idleness for want of a quorum. The court will doubtless be able to dispatch its business with greater rapidity when the full number of judges are available, whereby the work of preparing decisions and opinions can be expedited by division among a greater number of judges.

The same disparity as to the increase in the relative number of civil and criminal cases pending exists in the courts of first instance as in the supreme court. The number of civil cases pending in all the courts of first instance on September 1, 1904, was 2,840, and on September 1, 1905, 3,433. The number of criminal cases pending September 1, 1904, was 1,930, and on September 1, 1905, 1,559. The

number of cases filed in those courts during the year ending August 31, 1905, was 3,171 civil and 5,378 criminal, while the number of civil cases disposed of during the year was 2,578 and of criminal 5,749.

The foregoing statement of the condition of business in the supreme court would be incomplete without the following facts, which do not appear in the attorney-general's report:

Included in the statement of cases pending in that court are 28 that were submitted and heard prior to July 1, 1905, decisions in which have not yet been announced. On the calendar for the months of July, August, September, and October, 1905, are 223 cases that have been submitted and heard, but not yet decided. Upon announcing the decisions in the 251 cases last above referred to, the apparent arrearages in the supreme court will have been to a considerable degree eliminated. It should also be remarked that of the 915 cases reported as pending on October 25, 1905, 51 are criminal cases which were pending in the court at the time of the change of sovereignty, on which action has been suspended owing to the fact that the prosecuting officers have been unable to locate the defendants, who were in most cases released from prison by the Filipinos during the revolution.

There is a great disparity in the number of cases filed during the year in the different judicial districts, the number of such cases being comparatively small in the mountain district, as well as in the first, thirteenth, fourteenth, and fifteenth districts. In each of these districts the salary appertaining to the office of judge is less than in the other districts, and in most of them there is a very large amount of difficult travel required in moving from one provincial capital to another by inadequate means of transportation, whereby much time is necessarily consumed. It is considered desirable that the remote provinces should have regular facilities for access to courts of first instance, even though the amount of business to be transacted therein is comparatively small. It also ought to be remarked that the judges of the mountain and first districts have performed much service in other districts where there was an excess of work during the year and the regular judges needed assistance.

The fifteenth district presents special difficulties in the way of transportation of the judge and fiscal from either Cápiz, Romblón, or Masbate, three of the places for holding court in that district, to Cuyo and Puerto Princesa, the places at which the court is required to be held for the province of Palawan, because there are no regular lines of transportation from either of the former places to the latter, so that oftentimes the judge and fiscal are required to come to Manila to secure transportation, unless boats are sent for the special service either of which alternatives involves much delay and expense. It is suggested that economy could be secured by detaching the province of Palawan from the fifteenth district and providing that the sessions of court required by law to be held there should be presided over by a judge to be designated from time to time for that purpose—either a judge at large or a judge of the court of first instance for the city of Manila—and that the duties of fiscal be performed by a lawyer occasionally detailed for that purpose from the attorney-general's office, who could accompany the judge directly from Manila during the brief time when sessions are to be held to transact the small amount of business arising in Palawan.

Court fees collected in the supreme court during the year amounted to ₱9,416.21½, and for fees, costs, and fines imposed in the courts of first instance, ₱115,942.41 Philippine currency, and Pfs. 125.56 Mexican currency.

The statistics as to the court of land registration are elsewhere stated in this report.

In the court of customs appeals during the year before its abolition 61 cases were filed, of which 27 were customs appeals proper, 6 criminal prosecutions for violations of the customs laws, and 28 condemnation proceedings against seized property for violations of customs laws. Of the total number filed 12 were withdrawn, 6 dismissed, and 101, inclusive of cases pending before the beginning of the year, were decided. On September 1, 1905, 11 cases were pending, which have been transferred to the court of first instance, as above stated.

The office of the attorney-general was reorganized by Act No. 1313, as above stated, by virtue of which, in the opinion of the attorney-general, the efficiency of the office has been increased and the total expenses diminished.

Three hundred and fifty-six written opinions have been rendered by the attorney-general's office to other officials of the government, in accordance with law; 290 cases have been presented to the supreme court by brief and 53 by motion, etc.; 440 cases in the court of land registration, in which the government was interested, have been examined and opposition presented in 216, and 829 petitions for pardon have been investigated and recommendations thereon made to the governor-general.

INSULAR COLD-STORAGE AND ICE PLANT.

At the date of the last report from this office Mr. J. F. Edmiston was performing the duties of acting superintendent of the plant, and since that time has been made superintendent, and has succeeded in largely reducing the expenses of operation and increasing the income from the sales of ice.

The contract with the chief quartermaster, U. S. Army, Philippines Division, for cold-storage room has been renewed, but the price for cold storage has been increased from 3½ cents United States currency to 4½ cents per cubic foot per month, in view of the diminished space required for that purpose by the army, the general expense remaining as great for the smaller space as for the larger, and the diminution in the cost of operation not being at all in proportion to the diminished space required. It is believed that the contract made is an equitable one. It, however, resulted in a material saving to the army and a consequent diminution of the income to the insular government.

The operations of the plant for the year have been satisfactory. The gross revenue for the fiscal year from July 1, 1904, to June 30, 1905, was ₱706,356.37, and the total expenses, including outstanding liabilities, were ₱308,385.11, making the net earnings ₱397,971.26, showing the most profitable year the plant has ever experienced. There was an increase during the year of ₱103,407.56 in the gross revenues and a reduction of ₱78,815.09 in the cost of operation.

Owing to the diminished cold-storage space required by the army, more room became available for use of business concerns, if required for that purpose, and space has been leased at reasonable rates to persons desiring it. The revenues from this source in the preceding fiscal year were ₱839.76, while during the present fiscal year that revenue amounted to ₱36,925.83, making a gain of more than ₱36,000 in this item alone. Meanwhile the public has been largely benefited, because the only cold-storage plant in the business, aside from the government one, was heretofore able to maintain a monopoly in the price of meats, imported fruits, and vegetables. Other business establishments have now engaged in competition, making use of the government cold-storage space, and the prices of those essentials to wholesome living are now about three-fifths of what they were one year ago. While one private establishment has lost a portion of its profits, the great consuming public has been very largely benefited. Sales of ice have likewise increased during the year by ₱40,486.52. While the sales to the army, navy, and marines remained practically as during the preceding year, the sales to the bureaus of the insular government and to customers entitled to the special rate by reason of connection with the government and cash sales have largely increased. Cash sales were made at the same price as the private plant in Manila charges, but the government plant does not make delivery, while the private plant does, so that the government plant is not in this respect competing at all with any private enterprise. The increase in the use of ice in the city of Manila and vicinity is apparently constant and will continue. There has been an increased income also from the sale of distilled water and miscellaneous items.

The net earnings of the plant from the beginning have been as follows, stated in Philippine currency:

Fiscal year—	
1902	₱238, 100. 28
1903	267, 710. 68
1904	215, 748. 61
1905	397, 971. 26
Total earnings	1, 119, 530. 83

The operation of the plant for the first three months of the fiscal year 1906 indicates that the net earnings will be approximately ₱400,000 Philippine currency for that year. On this basis at the end of the fiscal year 1906 the plant will have paid for itself from its own earnings, and will thereafter be an available asset, producing a steady and regular income.

During the year the plant was offered for sale by advertisements published in the United States at an upset price of \$1,000,000 United States money. While more or less negotiations have resulted, no sale has been made. In view of the necessity for cold storage at a reasonable price and an abundant supply of ice in the Tropics for the purposes of health and reasonable economy of living, the maintenance of this plant by the insular government might fairly be considered a public utility which the government may properly carry on in such manner as to prevent private monopoly in some of the prime necessities of life. It perhaps might be as properly considered a governmental function as the maintenance of water supplies, gas and electric-light plants by cities of the United States and other countries.

The administration of the plant for the past year as to its income and producing capacity removes the whole question from one of taxation and burden upon the people for the purpose of maintaining such an institution. It occasions no taxation, but, on the contrary, relieves taxation to a considerable degree by producing a large and reliable income.

Mr. Edmiston is entitled to special credit for the increase of income and reduction of expenses. His report for the fiscal year and supplemental reports for the months of July and August, 1905, are hereto annexed and marked "Exhibits Nos. 2 and 3."

COINAGE AND CURRENCY.

In the last preceding report from this office it was stated that the new currency upon a gold basis had practically taken the place of the old and fluctuating Mexican, Spanish-Filipino, Chinese, and other foreign coins previously prevailing in the islands, and that the great work of eliminating the old currency had been substantially completed. The means by which those results were accomplished were there fully set forth and need not be here repeated. The statement there made that—

The government and the public are to be congratulated upon the speed with which these good results have been accomplished, and upon the comparative ease with which a fluctuating and cheap currency, to the amount of nearly ₱30,000,000, has been eliminated, in spite of the prejudices and conservative character of the people, and of the great inducements that always exist to make use of a cheaper currency instead of a better and more expensive one—

has been emphasized by the experience of the past year. While the amount of old currency remaining in the remote nooks and corners of the archipelago was larger than at that time anticipated, yet it has now entirely passed out of circulation. All business transactions are in the new, the speculating and gambling in coin which formerly prevailed to so large a degree being entirely done away with. Commercial contracts, importing, exporting, buying, and selling within the islands are now all upon a uniform basis and a fixed, known standard, and the whole public and the government are able to forecast results, so far as such results depend upon the kind of money to be paid or received, as the case may be. Some important steps have been taken, however, during the past year.

1. *Certificates of indebtedness.*—In order to meet the necessity for the purchase of silver for new coinage and to have a fund for the maintenance of the parity of the new currency with gold the government was authorized to issue certificates of indebtedness to an amount not exceeding \$10,000,000 United States money, at an interest rate of 4 per cent per annum and maturing in one year from the date of issuance. Under this authority such certificates were issued in series of \$3,000,000 each up to the amount of \$6,000,000. The new currency system, however, was so thoroughly established that on May 1, 1905, \$3,000,000 of the certificates were retired and no others were issued in their place, and on September 1, 1905, \$3,000,000 more were retired and others to the amount of \$1,500,000 only issued in the place of those retired. The present amount of outstanding certificates, therefore, is \$1,500,000, a reduction of \$4,500,000 during the year. The several series of certificates have been sold at most favorable prices, varying with the demands for such obligations in the United

States from time to time. The first series, maturing May 1, 1904, was sold at a premium of 2.513, making a net interest paid by the government of 1.487; the second series at a premium of 2.24, making a net interest of 1.76; the third series at a premium of 1.181, making a net interest paid of 2.819; the fourth series at a premium of 1.41, making a net interest of 2.59; the final and now outstanding series of \$1,500,000, maturing September 1, 1906, realized a premium of 1.64, making a net interest paid of 2.36. A great portion of the proceeds of these certificates has been on deposit throughout the year in New York as a portion of the gold-standard fund, and has earned interest at the rate of not less than $2\frac{1}{2}$ per cent on average daily balances, so that the maintenance of this fund has, on the whole, been a source of profit to the insular government instead of a loss. In other words, the government has made money by borrowing and issuing these certificates and has maintained a fund for the purpose of the gold standard without any cost whatever.

2. *Ascertainment of seignorage and cost of new currency.*—More complete data have now been received from the mints in the United States, from which the cost of the new currency from bullion purchased and from recoinage of Spanish-Filipino coins can be more accurately stated than before. Down to July 1, 1905, the net seigniorage on silver coins from bullion purchased amounts to ₱2,214,064.68, Philippine currency, and the net seigniorage on nickel coins to ₱372,208.10, and on copper coins ₱134,069.81, making a net seigniorage on all money coined from bullion purchased, less mint charges and transportation expenses, of ₱2,703,035.32.

Up to June 30, 1905, there had been shipped to the San Francisco Mint for the purpose of recoinage the sum of ₱15,713,000, Spanish-Filipino coins. This amount, a small portion of which has not yet been reported upon from the mint, together with such coins on hand in the treasury on June 30, would, on the basis of that already reported from the mint, yield approximately ₱14,158,446.70, Philippine currency. The Chinese, Mexican, and other foreign coins that have been sold by the treasury for the purpose of export have yielded a profit to the treasury. Making a proper allowance for the profit thus accrued, the gold-standard fund has received no seigniorage, but has sustained a loss of ₱174,258, Philippine currency, on the redemption of Spanish-Filipino coins up to July 1, 1905. In other words, the government, for the purpose of dealing on as favorable terms as possible with the people, paid that amount more for the Spanish-Filipino coin than it was worth as bullion. Had the government yielded to the urgent importunities that were pressed upon it to redeem the Spanish-Filipino and Mexican coins with the new coins, peso for peso, the Mexican dollars which have been exported by reason of the stringency placed upon them by local legislation would not have been exported, but would have remained in the islands, because they would have been worth far more here than anywhere else in the world. There would have been a loss to the government upon the Mexican pesos exported since the enactment of the legislation referred to of more than the entire seigniorage which it has now received upon money coined from bullion purchased, or ₱2,679,816.63. Upon the Spanish-Filipino coins there would have been a further loss of ₱1,920,292.51, which, together with the loss on the Mexican currency above stated, would have amounted to

₱4,601,109.14. Such a loss would have been ruinous to the whole new system of coinage by wiping out the whole of the gold-standard fund not made up of borrowed money and creating a large deficit besides. Copper coins have been likewise redeemed, upon which the loss is liable to be approximately ₱45,000, Philippine currency, more. Deducting the estimated loss upon Spanish-Filipino and copper coins redeemed from the net seigniorage on the coinage of bullion purchased there is approximately a net seigniorage profit of ₱2,500,000, Philippine currency, upon the entire process of coinage and recoinage. Data are not yet available for making an exact statement, but the result stated is approximately correct.

3. *Additional currency received.*—The total amount of new coinage of all denominations in the islands down to June 30, 1905, amounted to ₱31,955,520, of which ₱28,160,667 were in actual circulation, including in this latter statement such pesos as were represented in actual circulation by silver certificates. The amount of new coinage received in the islands during the fiscal year was ₱12,126,000, and the increase in the circulation was ₱19,103,540.

4. *Increased use of silver certificates.*—The amount of silver certificates in circulation June 30, 1904, was ₱6,000,000, and on June 30, 1905, ₱10,450,000, making an increase of ₱4,450,000 during the fiscal year.

5. *Continued use of the gold-standard fund in the way of exchange.*—During the year exchange was sold by the treasury on the gold-standard fund in New York either by telegraphic transfer or demand drafts to the amount of \$2,236,996.75, United States money, for which a premium of \$43,777.50 was realized and credited to the gold-standard fund.

No drafts were sold in New York upon the gold-standard fund in the Philippine Islands during the year.

6. *Extension of exchanges at the treasury.*—\$5,757,213.97½, United States money, were exchanged at the treasury for double that number of Filipino pesos, and ₱23,571,699.09, Philippine currency, were exchanged for one-half that number of dollars, United States money.

The result of these exchanges has been not merely to furnish convenient facilities for the public for such exchanges without cost, but also to establish the mutual interchangeability of the two currencies at par.

7. *Continued elimination of old currency.*—During the fiscal year ₱8,763,591.96 of the old currency were purchased at rates authorized by law and removed from circulation either by sale for export or by shipments to San Francisco for recoinage.

8. *Commercial elimination of old currency.*—Commercially ₱7,786,247.90 of Mexican coins were exported during the year.

The second annual report of Dr. E. W. Kemmerer, chief of the division of the currency, is hereto annexed and marked "Exhibit No. 4," which contains full and interesting details as to the progress of the new currency system during the year, as well as a summary of operations from the beginning. Doctor Kemmerer is about to be separated from the insular service, because the work of instituting the new system has been completed. He has been of great aid in that work. His investigations have been careful and exhaustive, his reports complete and accurate, and his scientific knowledge of the

theory of maintaining a currency upon a gold-standard basis without the use of gold as a circulating medium has been of great value.

Proposed new legislation relating to coin deposit for payment of silver certificates.—At the close of the fiscal year the amount of silver certificates in actual circulation was ₱10,450,000, as above stated. The act of Congress of February 6, 1905, authorizes the issue of larger denominations of silver certificates, which will undoubtedly increase their circulation so that it may be reasonably anticipated that the amount of such certificates will gradually increase to 18 or 20 million pesos, and if the commerce of the islands should be largely increased and the construction of railroads should require much more currency than is now in circulation, the amount of such certificates would probably considerably exceed ₱20,000,000 in the not distant future. Silver pesos must be deposited and retained in the treasury for the payment of each certificate to its full amount. The facilities of the treasury for storage of silver pesos have already been taxed to the utmost and large amounts of them are being stored in the old mint building, where the expense of guarding is considerable and where the risks are greater than if the storage could all be in the treasury building itself. The insular treasurer has asked for an appropriation of \$75,000 for the construction of additional vaults to furnish more storage space. It is undesirable to incur this expense if it can be satisfactorily avoided, as well as the expense that would hereafter be incurred for the construction of vaults in case the circulation of silver certificates continued to increase. The silver pesos so deposited are idle and unremunerative and a constant source of expense to the insular government. The system is inelastic. In case there is a demand for increased currency in the form of paper money at any time there is no method of meeting it except to purchase more silver bullion irrespective of its market price, and cause it to be coined and deposited in the treasury as a basis for the issuance of more certificates. Whenever the special demand for currency relaxes and there appears to be an excess of it in circulation there is no method of retiring it, but the money that the government has borrowed for the purchase of silver would still constitute an obligation of the government, together with the constant recurring expense for interest thereon, unless the government were able to recoup itself for such losses by securing interest upon the deposits in New York. If the government were compelled to purchase silver bullion in an emergency when silver stood at a high price the seigniorage accruing to the gold-standard fund would be very small or totally disappear, and the purchase might involve a loss to the government. On August 23, 1905, the price of silver bullion prompt in London was 28½ d. per ounce. A Filipino peso made from silver purchased at that price laid down in Manila would cost the government 1.0065 pesos, leaving no seigniorage. Should silver rise to 29¼ d. per ounce, which is not an unreasonable thing to anticipate, a silver peso would be worth as much as bullion as for money. Repeatedly since the present Commission came to Manila silver has been higher than 29¼ d. per ounce. This was true in the months of October, November, and December, 1900, and January, 1901. If silver were to rise sufficiently above that price to yield a margin of profit, in addition

to the cost of melting and transportation, it would be profitable to melt down our silver coins for bullion and for export. The government then would have no method of relieving the stringency of Philippine currency except to purchase more bullion for recoinage at a loss. While such emergency is not anticipated it is desirable that measures should be taken such as would protect the government against such a contingency should it arise. No methods of increasing the gold-standard fund are available except through the seigniorage resulting from coinage and through the premiums received from the sale of gold-standard fund drafts and interest upon that part of the gold-standard fund which is kept on deposit in banks in the United States. It is desirable that safe means should be devised for making a more rapid increase of the gold-standard fund, which now amounts, as above stated, to about \$1,250,000, aside from money borrowed on certificates issued in pursuance of authority given by Congress.

Eliminating money borrowed on certificates, the increase in the gold-standard fund for the fiscal year 1905 was substantially \$103,000. It is believed that great relief, combined with entire safety, might be secured if Congress would authorize the use of United States gold coin in part as a reserve for the silver certificates, such gold coin being full legal-tender money in the Philippine Islands, under Congressional legislation. The certificates would still be redeemable in full legal-tender coin of the islands. The reserve would be at least as strong if consisting in part of gold coin of the United States as if it consisted entirely of Philippine pesos. The government could then safely purchase silver when the market price was low and when the seigniorage would add materially to the gold-standard fund, but abstain from purchasing when the price of silver was high. In such case, if additional peso circulation were needed, it could be furnished by withdrawing a portion of the silver pesos from the certificate reserve, putting them in circulation and substituting gold coin in the certificate reserve. An excess or deficiency of silver pesos in circulation could be relieved by withdrawing pesos from circulation, putting them into the certificate reserve and taking out an equal amount of gold coin, which does not go into circulation in the Philippine Islands, or by the reverse process, as circumstances required. In case the price of silver became so high as to make probable the exportation of Philippine pesos they could be withdrawn largely from circulation, issuing gold coin instead, to such an extent that their scarcity in the islands would cause them to appreciate in local value and to become worth more as currency here than for shipment abroad, or for melting. Should a permanent deficiency in Filipino peso circulation exist silver could, at any favorable time, be purchased so as to make a permanent increase in the local circulating medium. A portion of the gold coin consisting of this reserve against the certificates might be deposited in the United States in lawful depositories, where it would draw interest, and being substantially a permanent deposit, the highest rates of interest could be secured, probably 3 to 3½ per cent, which would make a very substantial income for the benefit of the gold-standard fund or the general funds, as might be deemed expedient. The continuing expenses of constructing new vaults for the storage of Philippine pesos would be unnecessary in this case.

The outstanding certificates ought not to be affected by such legislation, but as they come into the treasury in the payment of public dues and otherwise to the extent probably of more than ₱500,000 each month, they could be reissued and have stamped upon them the words "Payable in legal-tender coin of the Philippine Islands," or other equivalent expressions showing that they would be payable either in gold coin of the United States or in silver pesos at the election of the government. This procedure is especially desirable because of the great expense of preparing the existing certificates, the cost of which has already been substantially \$50,000. There is no difficulty in obtaining the gold coin for such purposes, because the insular treasury now has in its vaults upward of \$3,000,000 United States gold coin, immediately available, and because the transfer of funds from the Treasury of the United States to the Philippine Islands for army and other purposes are mainly made through the insular treasurer by deposits in New York, and an indefinite amount of gold coin could thus be deposited in New York to the credit of the treasurer of the Philippine Islands, the equivalent then being placed to the credit of the treasurer of the United States at Manila, so that no actual transfer of money would be necessary, but a sufficient amount to the credit of the gold-standard fund would be available at all times without expense. Should that portion of the scheme here outlined which relates to the deposit of United States gold coin at interest be not authorized, the relief would be considerable if the insular government were authorized to use gold as a certificate reserve instead of pesos to a certain extent, because the elements of elasticity and the relief from the necessity of the construction of new vaults and the possibility of the government availing itself of the most favorable times for purchasing silver would constitute material improvement over present conditions.

It is believed, however, that the government might properly be authorized to make the deposit in New York to secure the large earnings upon the gold coin there deposited, a proceeding which would in no way affect the circulating medium of the Philippine Islands.

It is recommended that Congress be requested so to amend that portion of section 10 of the act of Congress approved March 6, 1905, which is marked "Sec. 8," that the treasurer of the Philippine Islands will be authorized to receive either standard silver Philippine pesos or gold coin of the United States at the treasury in sums of not less than ₱20 Philippine currency, or \$10 United States gold coin, and to issue certificates therefor in denominations already authorized by law, provided that the amount of gold coin held in such reserve shall not at any time exceed 60 per cent of the total amount of certificates outstanding, and further provided, that the gold coin so held in reserve may be deposited by the treasurer of the Philippine Islands in authorized depositories of the funds of the treasurer of the Philippine Islands in the United States on such security as may be approved by the Secretary of War. Should 60 per cent be deemed too large a portion of the reserve to be held in gold coin, it is then suggested that the limit be placed at 50 per cent.

BANKS AND BANKING.

No new banks have been established in the Philippine Islands during the year aside from a bank of ₱50,000 capital, organized with local capital at Dagupan, in the province of Pangasinan. This bank was organized under the existing Spanish laws, the new corporation law, already prepared, not yet having been enacted.

The funds of the insular government in the islands not retained in the treasury vaults have been, as before, distributed between the three authorized depositories—the Chartered Bank of India, Australia, and China; the Hongkong and Shanghai Banking Corporation, and the International Banking Corporation of New York—besides the sums deposited in authorized depositories in the United States. At the close of the fiscal year 1905 those funds were distributed as follows:

The Chartered Bank of India, Australia, and China, ₱261,397.87.

The Hongkong and Shanghai Banking Corporation, ₱134,125.72.

The International Banking Corporation of New York, at Manila, ₱22,327.85 Philippine currency and \$29,520.50 United States currency.

No action has yet been taken by the Spanish-Filipino Bank looking to amendment of its charter, as suggested in the third annual report from this office. It is believed to be greatly to the interest of that bank that such action should be taken. It is also believed that should such action be taken and the charter of the bank be brought into harmony with American banking principles that bank ought to be made an authorized depository for funds of the government of the Philippine Islands upon giving proper securities.

The results of an examination made by the treasurer of the Philippine Islands, in accordance with law; into the condition of the so-called American Bank led to the conclusion that the institution was not being properly managed; that it had imperiled a large portion of its assets in unwise and worthless loans; that it was subject to no supervision by any board of directors; that the whole management was in the hands of the cashier, H. B. Mulford, and that a large number of notes which on their face appeared to be regular and upon which the interest apparently had been promptly paid were fictitious. A more complete investigation of the responsibility of each individual debtor of the bank, as shown by notes, disclosed the fact that thirty or forty of its apparent large debtors could not be located, nor was the cashier able to give any information as to who they were or their whereabouts except that he had always been able to reach them by mail. Under these circumstances the governor-general, on the 17th day of May, 1905, issued an order closing the bank, in accordance with law, and directed the treasurer to proceed with its liquidation. The management of the bank has proven to be grossly incompetent or dishonest; probably both. Prosecutions against the cashier for embezzlement are pending in the court of first instance in the city of Manila. A dividend of 25 per cent has been paid to depositors in the month of October, and further dividends will be paid later as the assets may warrant.

It is exceedingly unfortunate that a bank under American management and bearing the title "American Bank" should have been so

grossly mismanaged. It injures the prestige of Americans in the islands, besides causing large losses to people who can ill afford to lose their savings.

AGRICULTURAL BANKS.

The desire for one or more agricultural banks, established for the primary purpose of advancing money to agriculturists mainly upon the security of their landed property, is nearly universal in the provinces of the islands, and has long been so. The extreme need of capital for this purpose is entirely manifest. The people have not money with which to employ the necessary labor to purchase the essential animals and agricultural machinery for developing their lands and carrying on the industry that lies at the basis of all prosperity of these islands. Abundance of capital for these purposes, available at reasonable rates of interest, would be the greatest of boons. The existing laws for the formation of such banks are adequate, and suitable provision has also been made for them in the new corporation law about to be enacted. But the existing and proposed laws only provide for establishing such institutions upon private initiative. It has been completely demonstrated that private capital will not enter the field, partly because of the uncertainty of land titles and of the vicissitudes to which agricultural enterprises here are subject from diseases of animals, occasional drought, and disasters caused by hordes of locusts. It is apparently useless to expect private capital at present to enter this most useful field without any government intervention. Nor are cooperative agricultural banks, which have been most successful in some parts of the world, apparently feasible here, because there is not sufficient capital among the people to enable them to establish such institutions from local resources. Nor has the insular government been in financial condition to enter upon the business of establishing directly such banks. The other demands upon the treasury have been so great that nothing was available for such purposes. A scheme, however, has been worked out in Egypt, constituting a combination of private enterprise with limited Government aid, which, under circumstances somewhat similar to those existing in the Philippine Islands, has proven a great success. The Egyptian government at the outset set apart a small sum from its own funds for an experiment in making loans to agriculturists among a people who were thriftless, poverty stricken, and loaded down by the exactions of usurers. The experiment was tentative and upon a very small scale, beginning in 1896. Gradually, however, as the success of the movement was demonstrated in limited localities, the work was transferred to the Bank of Egypt, and the capital was furnished through that bank; that is, by private individuals, until the advances became so large that it was deemed undesirable to have so large a portion of the assets of the bank tied up in long-time loans. An agricultural bank for this special purpose was thereupon established and the loans carried by the Bank of Egypt were transferred to it. The new institution took over the business in the year 1902, and has gradually so extended its operations that the amount of loans at the end of the year 1903 was £2,186,746 Egyptian, and steps at that time were taken to increase the capital to

£5,000,000 Egyptian. Under this system the government lends its aid in the collection of the principal and interest of the loans and guarantees the principal and a small rate of interest. While the rate of interest that might be charged to the borrowers is materially more than guaranteed by the government, yet it is so low (9 per cent) that very great relief has been furnished to the landowners, large and small, and the rates of interest heretofore paid have been enormously reduced. Losses have been very few. Habits of industry and thrift have been largely developed among the Fellaheen when they were once released from the grasp of the usurers. The result has been not merely to furnish outlets for capital, but mainly to develop the country and improve the condition of small landowners. The system there established has grown up from very small beginnings, and has advanced only as experience has demonstrated the wisdom and necessity for extension.

It is doubtful whether the Philippine government could make guarantees such as the Egyptian government makes to its agricultural bank without express authority from Congress. Without discussing that question at length it is sufficient to say that it is undoubtedly safer, if such a measure should be entered upon here, to have the prior authority of Congress. The details of legislation by the Philippine Commission to that end, should it be deemed expedient to take such action, need not be here stated. A draft of a law to accomplish these purposes has been prepared and will be submitted to the Commission should the necessary authority from Congress be secured. The inauguration of such a system here must be tentative and on a comparatively small scale at the outset and surrounded by the utmost safeguards, no loan being authorized to be made under any circumstances until the title of the land offered as security has been favorably and finally adjudicated by the court of land registration. It is recommended that Congress be asked to authorize the establishment of an agricultural bank by private capital, the principal of which shall be guaranteed by the government of the Philippine Islands, and interest at a rate not exceeding 4 per cent per annum, with a limitation that the total amount which the government of the Philippine Islands shall be called upon to pay in any single year shall not exceed \$200,000. The rate of interest allowed to be charged to borrowers should not in any case exceed 10 per cent; the difference between the rate guaranteed by the government and the rate at which loans can be made would probably be sufficient to pay all expenses of operation under rigid governmental supervision, and likewise to pay a sufficient per cent to attract private capital. One of the large banks doing business in Manila has offered to undertake to finance such an enterprise should it be deemed expedient to establish it.

POSTAL SAVINGS BANKS.

The people living in the vicinity of Manila, Iloilo, and Cebu are able to find places for deposit of their savings in the banks doing business there with small rates of interest. This does not reach the needs of the people throughout the islands, and a system of postal savings banks would be of the highest utility in encouraging habits of thrift and enabling people to deposit their small savings in secure places whereon they could receive a reasonable rate of interest and

feel that they were safe from typhoons or robbers. A draft of a law for the establishment of postal savings banks throughout the islands has been prepared and will be submitted to the Commission at an early date, and its passage with such amendments as may be needed is recommended.

CUSTOMS SERVICE.

The receipts from the customs service still continue to constitute the larger portion of the revenues of the insular government, although the new internal-revenue law has become an important factor in that respect.

NEW LEGISLATION AFFECTING THE CUSTOMS.

On September 22, 1904, Act No. 1235 was passed, making minor and some important amendments to various sections of the customs administrative act, such as experience had shown were desirable. The removal of the requirements that manifests of cargoes for ports in the Philippine Islands from foreign ports should be certified by an American consular representative and the extension to corporations or companies created under the laws of the United States or any State thereof or of the Philippine Islands, having a duly authorized officer resident in the Philippine Islands, of the privilege of obtaining a certificate of protection for vessels owned by such corporations or companies engaged in the coastwise trade are among the important modifications.

Act No. 1341, passed May 4, 1905, threw open for the purpose of interisland commerce all ports and places in the islands to vessels licensed to engage in the coastwise trade and removed all fees and charges in the matter of entry and clearance of vessels at all except entry ports. This act furnished an important and needed relief to interisland commerce and eliminated entirely the expense of maintaining customs officers at small ports. On June 15, 1905, Act No. 1354 was passed, exempting vessels of less than 15 tons gross burden from taking out annual licenses or the payment of any fee or charge whatsoever. While this act diminished the revenues to some extent, it was of great benefit to owners of small boats and tended to encourage and stimulate trade between the various islands and remote parts thereof.

The tariff revision law of 1905 was enacted by Congress on March 3, 1905, to be effective May 2, sixty days after its passage. That act corrected some inconsistencies growing out of the former one, equalized certain rates of duty, and introduced qualifying *ad volorem* rates as a more marked feature than the old tariff. The machinery schedule was entirely readjusted. The usual results ensued, in that especially large quantities of those goods upon which rates were to be increased were imported prior to the time the new law became effective, but the importation of other lines of merchandise upon which the rates of duty were to be lowered was postponed.

REFUND OF DUTIES ON EXPORTS.

In prior reports attention has been called to that part of the act of Congress of March 8, 1902, providing for the refund of duties paid

on articles exported to the United States and consumed therein, and its repeal has been repeatedly recommended. Three years' experience under that law has only emphasized the desirability of such a repeal, and it is earnestly recommended that Congress be asked to furnish the much-needed relief. No one in the Philippine Islands is benefited to the slightest degree by this act. It takes from the insular treasury export duties that have been placed therein and gives them to manufacturers of hemp products in the United States, while it furnishes no such refund in cases of exports to other countries. The only persons benefited by such legislation are carriers of merchandise between the Philippine Islands and the United States and manufacturers of hemp products in the United States. It is a bonus paid straight and direct by the treasury of the Philippine Islands to those two American industries. It has not increased or decreased the price of hemp which the Filipino producer receives, but does enhance the profits of the two industries in the United States above referred to. It seems to be an exploitation of the industries of the Philippine Islands pure and simple for two industries of the United States. The Philippine government never recommended such legislation and has always opposed it.

The amount of duties refunded under this act to manufacturers in the United States during the three years ending June 30, 1905, is \$1,057,251.12½. That money is needed to the highest degree for the development and maintenance of schools and other indispensable institutions of the government in the islands, and has been taken out of the meager insular treasury to enrich enterprises in the United States.

INCREASED ECONOMY IN ADMINISTRATION.

By certain consolidations and by increasing the proportion of Filipino employees at lower salaries than were paid to Americans the expenses of the bureau of customs have been reduced, and will be further reduced during the fiscal year 1906. The expenditures in that bureau for the fiscal year 1905 were \$43,184.92 less than during the fiscal year 1904, and it is anticipated that during the fiscal year 1906 they will be about \$100,000 less than 1905. Of the classified customs employees at Manila 59 per cent are Filipinos, and of the unclassified employees all are Filipinos.

HARBOR IMPROVEMENTS.

A detailed report in regard to the improvements in the harbor of Manila will be made by the secretary of commerce and police, under whose charge that work is. It will only be remarked here that that work is approaching completion and will probably call ultimately for the construction of a new custom-house. Piers for the accommodation of commerce in the new harbor are already arranged for, and they will be completed within two years from this date. Manila will undoubtedly, when these works are completed, have the best harbor facilities in the Orient. The improvements that are being made in the ports of Iloilo and Cebú will likewise greatly facilitate commerce at those ports, both of which are very important in the commerce of the islands.

EXPORTS AND IMPORTS.

The exports of the two principal products of the Philippine Islands—hemp and sugar—have shown a material increase in the past year as compared with the fiscal year 1904. The increased price of sugar has doubtless been a factor in the increased export of that product. Hemp also has commanded a good price and the exports have been large.

The entire volume of exports for the year 1905, excluding currency, exceeded the exports for the previous year by \$2,129,738. This is an especially good result in view of the ladron disturbances that have occurred in a few of the provinces and the prostration of agricultural interests by reason of the death of animals, referred to in the last previous report from this office.

The total exports during the year were \$32,355,865 in value as compared with \$30,226,127 for the fiscal year 1904, and the total value of imports was \$30,879,048 as compared with \$33,221,251 for the fiscal year 1904. The results show a balance of trade in favor of the islands of \$1,476,817 for 1905.

The hemp shipments for the last year were the largest in value and amount in the history of the islands. The exports of tobacco were not as great as for the fiscal year preceding, and the amount of this commodity that found its way to the markets of the United States is insignificant by reason of the prohibitive tariff in force in that country.

The increase in imports from the United States has been chiefly in the line of cotton textiles, hardware, and machinery, as hereinafter appears.

There was a very large increase in customs collections at the port of Cebú, owing, in part, to a disastrous fire that occurred in March, 1905, which destroyed immense quantities of merchandise and supplies, thus compelling immediate new purchases and importations.

There was a slight increase in customs collections during the year at Zamboanga, Bongao, and Balabac, and a decrease at Manila amounting to \$316,469.08; at Iloilo, \$73,386.26, and at Joló, \$775.77, caused mainly by decreased importations.

The gross customs receipts for the fiscal year 1905 amounted to \$8,263,444.25, a decrease of \$170,424.01, or about 2 per cent, as compared with the previous fiscal year. The net receipts, however, show a greater percentage of loss, owing to the large exportation of hemp to the United States, the duties upon which are refundable as the products were consumed in the United States.

The growth of commerce between the United States and the Philippine Islands as to imports is shown by the following comparative statistics for the last three fiscal years:

The total value of imports from the United States was in—

1903.....	\$4, 108, 944
1904.....	4, 843, 207
1905.....	5, 839, 512

A comparative statement of exports from the Philippine Islands to the United States for the same years shows—

1903.....	\$13, 863, 059
1904.....	11, 102, 860
1905.....	15, 678, 875

The increased importations from the United States of various articles are shown by the following comparisons:

The amount of textiles imported into the islands during the first half of the year 1902 from the United States, under the present tariff, No. 117, amounted in value to \$74,214.36, while for the corresponding period of the calendar year 1905 they amounted to \$511,624.44.

Illuminating oil imported from the United States in 1904 was valued at \$246,519, and in 1905, \$443,512.

Hardware and machinery imported from the United States in the year 1904 amounted to \$821,160 in value, and in 1905 to \$1,447,387.

Fresh meats imported into the Philippine Islands nearly all come from Australia. Mutton, pork, and hind quarters only of beef range in prices from 4 cents to 6½ cents per pound delivered in Manila frozen. Meat could not be produced in the United States and delivered in the islands at these prices, and it is improbable that in the near future the United States will be able to control the market in this line of importations.

The details of all imports and exports will be found in full in the statistical portion of the report of the collector of customs for the Philippine Islands, which is hereto annexed and marked "Exhibit No. 5."

A large portion of distilled and malt liquors imported into the islands came from the United States.

The importation of rice is a most important factor in the prosperity of the country. In the fiscal year 1903, \$10,061,323 were carried out of the islands to pay for rice imported. In 1904 the maximum amount in the history of the islands was expended for that purpose, \$11,548,814; while in 1905 the sum so expended amounted to \$7,456,738. This statement concretely shows the increased production of rice in the islands. Over \$4,000,000 gold less were sent out of the islands during the last year for rice than during the preceding year, and \$4,000,000 saved to the people here mean much.

THE DINGLEY TARIFF AND THE SHIPPING BILL.

The recommendations that have heretofore been made in reports from this office, and by the Commission in its reports to the Secretary of War, that Congress be requested so to modify its legislation that sugar and tobacco produced in the Philippine Islands may be admitted into the United States either free of duty or on more favorable terms than at present, is now renewed. The subject has been so recently and so thoroughly discussed while the Congressional party were here that further elaboration of the arguments would be useless in this report. The considerations urged in that behalf are all fresh in the minds of the Commission and of the Secretary of War.

The act of Congress approved April 15, 1904, entitled "An act to regulate the shipping and trade between the ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes," prohibits, after July 1, 1906, the transportation of merchandise (except supplies for the Army or Navy) and passengers between ports of the United States and ports or places in the Philippine Archipelago,

direct or by the way of a foreign port, in any vessel other than a vessel of the United States.

If this act should continue unmodified, it is believed that it would operate greatly to the disadvantage of the Philippine Islands by eliminating to a considerable degree competition in trans-Pacific freight or in freight from New York via Suez, and result in placing a heavy burden upon the commerce of the islands, both import and export, for the benefit of shipping companies in the United States. It is believed that the islands are in no financial condition to stand this additional burden. When the resources here are sufficiently developed and Congress shall have given to our agriculturists some aid by reducing the Dingley tariff on sugar and tobacco, and agricultural industries shall have had time to recuperate and get into normal conditions, it is possible that the advantages received would be such as to enable them to overcome the difficulties imposed by the shipping bill referred to.

It is recommended that Congress be asked either to repeal that portion of the law which relates to commerce between the United States and the Philippine Islands or to provide that it shall not become operative until July 1, 1909, and not then unless prosperity shall return to the islands.

JAPANESE AND CHINESE IMMIGRATION.

The number of Japanese admitted to the islands for the fiscal year 1904 was 2,672, and in the fiscal year 1905, 1,204. The decrease undoubtedly is owing to the Russian-Japanese war.

The number of Chinese immigrants during the fiscal year 1904 was 9,089, and in 1905, 8,886, nearly all of whom were Chinese who had before been in the Philippine Islands and who had returned to China temporarily and were readmitted to the islands in accordance with law. Some of them were Chinese merchants, some wives and minor children of resident Chinese merchants, and others Chinese laborers with return certificates. These statistics do not indicate that the number of Chinese in the islands is increasing at all; on the contrary, it is believed that the number is steadily decreasing.

The total immigration dues collected during the last fiscal year were \$39,422, of which all but \$5,534 accrued from charges for laborers' return certificate and immigration dues from Chinese.

COST OF COLLECTION.

The statistics contained in the report of the collector of customs (Exhibit No. 5) show the total cost of collecting customs revenues at the various ports and in the aggregate. The cost for one dollar of revenue collected still continues very low in comparison with the percentage of expenditures to receipts in ports where a similar amount of business is transacted in the United States.

OPIUM IMPORTATIONS.

Importations of opium during the fiscal year 1905 amounted to 268,128 pounds. That amount has never been exceeded except in the

year 1902, when 285,443 pounds were imported. The duties received, however, during the last fiscal year were greater than in any former year owing to the higher rate now charged. The value of the opium imported in 1905, added to the duty thereon, amounted to \$1,217,274.

It is apparent that the heavy duty upon opium has had little effect in diminishing its consumption, and the problem of preventing the extension of the opium habit must be dealt with in ways other than through the customs.

The figures given in the report of the collector of customs as to customs revenues do not agree with those hereinafter stated in connection with the budget for the fiscal year 1906, as based upon customs revenues for the fiscal year 1905. The distinction, however, is only apparent and not real. The collector of customs, according to law, reports the total revenues collected, while the budget is based upon the net revenues collected after deducting reimbursable revenues, particularly those accruing upon hemp exported to and consumed in the United States.

THE NEW INTERNAL-REVENUE LAW.

The third annual report from this office stated the circumstances connected with the enactment of the new internal-revenue law and the opportunities for public discussion that were furnished, and the general provisions of the law as finally enacted on July 2, 1904. It will be unnecessary here to recite any of the details there set forth or the considerations that led to the enactment of the law.

AMENDMENTS TO THE INTERNAL-REVENUE LAW.

Several minor amendments have been made to the law, mainly for the purpose of simplifying its operation and for meeting temporary difficulties that arose in its enforcement.

On April 27, 1905, after public discussion, Act No. 1338 was passed, which made a few verbal changes and corrections of typographical errors in the original text. Minor changes in the license tax rates and in the definitions of dealers and two or three license taxes, covering occupations which ought to contribute to the public revenues, but which had not been provided for in the original act, were provided for. Further exemptions from documentary taxes were made and more efficient provision was established for enforcing payment of the delinquent cedula or personal registration taxes. The important amendments incorporated in that act were those decreasing on and after May 1, 1905, the tax on rectified manufactured liquors from 30 to 20 centavos per proof liter and the extension of time from July 1, 1905, to January 1, 1906, when the tax on cigarettes weighing 2 kilograms or less per thousand should be increased from 67 centavos to 1 peso per thousand. It had been found that the rectified manufactured liquors were being discriminated against in consumption in favor of those that had not been rectified by imposing a heavier tax upon the rectified and thereby making it more advantageous to sell the unrectified liquors. Analyses by the government laboratory in a great number of cases show that unrectified liquors produced in small distilleries, called "cauas," contain but a small percentage of poisonous elements. In order that the rectified and manufactured liquors might not be discriminated against, the

tax rate was lowered to 20 centavos per proof liter, the same as that imposed upon unrectified liquors.

The postponement of the time when the increased tax should go into effect upon cigarettes was for the purpose of giving further time to enable manufacturers to adapt themselves to the new conditions to meet the requirements of trade.

ORGANIZATION OF THE BUREAU OF INTERNAL REVENUE.

The inauguration of an entirely new system of taxation required an efficient organization that should reach every municipality in the islands. It was impossible to put a full and complete system of collection immediately into effect, and the collector of internal revenue was authorized to make preliminary regulations before establishing the permanent system and obtaining the necessary record books, office, and stamps, and preparing needed indispensable instructions to collectors.

A permanent system was established in Manila and near-by provinces on January 1, 1905, and in the remaining provinces as soon thereafter as practicable. Every effort was made to make the book-keeping and other requirements imposed upon tax payers as lenient as possible and to impose the least practicable additional burden upon them. The work of inaugurating the new system rested necessarily upon the collector of internal revenue, Mr. John S. Hord, whose previous experience in Porto Rico admirably qualified him for the work, and he has proved himself efficient and faithful in the performance of his arduous duties.

COLLECTIONS UNDER THE LAW.

The law did not in any of its features go into effect until August 1, 1904, and in some not until January 1, 1905. The statistics available, therefore, for the fiscal year 1905 cover but eleven months of a partial operation of the law and six months of its full operation. The total collections finally liquidated during the fiscal year 1905, including municipal and provincial taxes collected under the law, were ₱5,200,383.95, and during July, 1905, ₱794,620.75, making a total for the full year of partial operation of the law ₱5,995,004.70, practically 60 per cent of which was paid in the city of Manila and 40 per cent in the provinces. By the provisions of the law these revenues for the whole twelve months down to July 31, 1905, were apportioned as follows:

Insular	₱3,436,554.96
Provincial	1,128,718.32
Municipal	1,429,731.42

Based upon these statistics and those gathered from the United States and Porto Rico, the per capita of tax payments upon alcohol and tobacco products consumed are as follows:

	Distilled spirits.	Fer- mented liquors.	Tobacco prod- ucts.	Total.
United States	₱3.20	₱1.20	₱1.12	₱5.52
Porto Rico	1.00	.20	.80	2.00
Philippine Islands .....	.30	.02	.40	.72

The per capita consumption of distilled spirits is greater in the United States and Porto Rico than in these islands, while the rate of taxes imposed in those countries is from two to four times as high as here. The consumption of tobacco products in the islands is greater per capita than in the United States or Porto Rico, but the tax rate on cigarettes in those two countries is approximately three times as high as in the Philippine Islands. The taxes on alcohol and tobacco products are important items in the scheme of taxation adopted. Even a small reduction in the rates now in operation would reduce the amount of total revenues collected to a greater extent than the entire elimination of several minor schedules.

The total expenses of collecting during the period of eleven months was ₱183,858.91, or 3½ per cent of the total revenues received. This statement, however, would be incomplete without taking into consideration the fact that much of the work of collecting in the provinces is done through provincial treasurers and their deputies, whose salaries and expenses are paid by the provinces. No data are available for stating the proportion of the expenses incurred by the provinces that might properly be taken into consideration in ascertaining the total cost of the collection of the internal-revenue taxes.

DISTILLED SPIRITS.

During the eleven months ending June 30, 1905, taxes were collected on distilled spirits amounting to ₱743,975.94, and during July, 1905, ₱111,730.28, making a total for twelve calendar months of ₱855,706.22.

This collection was made on an output of 3,838,061 proof liters for domestic consumption. The output of tax-paid spirits in August, 1904, the first month of the operation of the new law, was 93,405 proof liters. The output during that month was naturally very small, as some of the distilleries had been run night and day during the two months prior to the law going into effect, so that as large an output as possible might be made without the payment of taxes. The output of tax-paid spirits in June, 1905, was 574,788 proof liters. Using the output during that month as a basis for calculation, the annual output of tax-paid spirits, in round numbers, would be 7,000,000 proof liters. The spirits produced in the provinces seldom gauge more than 50 per cent proof, while those produced in Manila gauge from 60 to 70 per cent proof. The 7,000,000 proof liters, reduced to the usual drinkable strength at which it is sold, would mean between 12 and 13 million gauge liters. The Manila market was largely overstocked with manufactured liquors removed from the local rectifying plants before August 1, 1904, to escape the tax. The output of spirits and manufactured liquors from Manila rectifying plants continued to increase month by month from August, 1904, to May 1, 1905, but early in June, 1905, several of the Manila rectifiers began an agitation having for its object a reduction in the tax rate on spirits, and the local wholesale dealers reduced the volume of their orders pending the outcome of the agitation. This is doubtless one of the reasons for a reduction in output of the Manila rectifying plants shown in June and July by the collector's report.

The collector of internal revenue, from the best statistics available, estimates that the total output of all distilleries during an average

year before the internal-revenue law was enacted at less than 10,000,000 proof liters. Tax is now being paid upon an annual output of 7,000,000 proof liters, equal to 70 per cent of the normal output before the tax was imposed. The agitation for a reduction of the tax on distilled spirits is still going on and a yearly normal output can not be expected until the agitation comes to an end and it is finally understood that the law is to stand in its essential details as enacted.

It should also be remarked that immediately after the going into effect of the law the retail price of liquors was increased not merely by adding the amount of the tax, but by adding several times that amount. Such an increase necessarily diminished the consumption and affected the output. This policy is believed to have been most unwise and to have operated materially to the disadvantage of the distilleries in the city of Manila and to the advantage of the small and less expensive establishments in the provinces. A considerable portion of the trade heretofore controlled by the Manila distilleries was thus acquired by the provinces.

In the provinces of Bulacán, Pampanga, and Tárlac, where distillation from the juice of the nipa palm is extensively carried on, two new distilleries have been installed since the internal-revenue law was enacted, and two others that had not been operated for some time prior to August, 1904, are now in operation. In Manila two new rectifying plants are also in operation, making a total of 8 in the city of Manila against 6 on August 1, 1904. Crude spirits in immense quantities from the provinces of Bulacán and Pampanga are sent to the city of Manila for rectification.

FERMENTED LIQUORS.

During the eleven months of the fiscal year 1905 when the law was in force there was collected as tax upon beer for domestic consumption ₱118,286.44, and during July, 1905, ₱14,009.60, making a total for the year of ₱132,296.04, based upon an output of 3,307,400 liters of beer. The output from the only brewery in the islands, located in the city of Manila, and which claims a monopoly for a series of years by a Spanish grant, during an average year preceding the imposition of the tax was 3,450,000 liters. This estimate of its output is based upon the actual known output of beer immediately preceding August 1, 1904, when the tax became effective. There has been, therefore, very little diminution in the amount of beer consumed in the islands since the imposition of the tax. No domestic beer was exported from the islands, but the quality of the domestic article and the duties imposed upon the imported beers are such as apparently to insure the continued prosperity of the domestic product.

TOBACCO PRODUCTS.

The provinces of Cagayán and Isabela produce the only tobacco fit for use in the manufacture of the better quality of cigars and cigarettes. In several provinces tobacco leaf is produced to a limited extent, but it is believed to be of inferior quality. If the tobacco of the Philippine Islands is to attract foreign markets, it is necessary that immediate steps be taken to improve the character of

the seed used, the methods of cultivation, and means of preparation for market. It is not believed that the market for tobacco products has been, on the whole, injured by the new internal-revenue law. The largest wholesale and retail dealer in cigars and cigarettes in Manila, who is likewise a distributor for all the cigar and cigarette manufacturers, has recently issued a pamphlet to the trade entitled "The Cigar Question." Among other things in that pamphlet he says: "The demand for Philippine cigars and cigarettes has in the past two years exceeded the output, causing long and vexatious delays in filling orders." This difficulty is a real one, and it is not apparent, in view of the enormous domestic consumption of cigars, how the manufacturers of the islands can largely avail themselves of the markets of the United States for their products should those markets be opened to them by striking off the present insurmountable tariff barriers. It will be several years before measures can be made effective to produce a sufficient amount of tobacco suited to American tastes so as to affect the American market or materially to help the industry in these islands.

In this connection, it should be remarked that the total output of cigars from all manufactories during the year ending July 31, 1905, was 150,910,950, of which 81,258,130 were for export. The normal annual consumption of cigars in the United States is seven billion. If it were possible to divert every cigar made in these islands to the United States, home producers would still practically have to supply 98 per cent of the cigars consumed there. Most of the cigars exported from the islands to China and other markets (and China is the greatest market) are of a very inferior quality and could find no market whatever in the United States. In view of these facts it seems certain that if the Philippine cigars were admitted customs free into the United States the cigar manufacturers of that country would, for a long time to come, retain considerably over 99 per cent of the trade.

The total taxes collected for twelve months prior to July 31, 1905, on cigarettes amounted to ₱1,996,131.57, 96 per cent of which was paid in the city of Manila and 4 per cent in the provinces, approximately. The total output of cigarettes during that period was 2,964,441,590, besides 14,910,265 exported. The Manila and provincial markets were largely overstocked with cigarettes removed from the manufactories prior to August 1, 1904, to escape the tax. The result was that the cigarette market was dull during the last five months of 1904, but beginning with January, 1905, and continuing down to the date of this report the volume of cigarettes removed from the manufactories, taken as a whole, has attained normal dimensions. The tax rate imposed upon cigarettes in the Philippine Islands is one-third of the rate imposed in Porto Rico and less than one-third of that imposed in the United States. The consumption of cigarettes in these islands, as statistics show, is enormous.

MATCHES.

It was the purpose of the internal-revenue law, in connection with the existing tariff upon the import of matches, so to equalize the burdens that the domestic manufacture, which is claimed to be a monopoly under a Spanish grant, could not destroy foreign competition nor could foreign competition destroy the domestic industry.

During the twelve months ended July 31, 1905, the total revenues collected on domestic and imported matches was ₱175,053.39. The imported matches mainly come from Japan. Of the matches consumed in the islands during the year referred to 62 per cent was manufactured in the islands and 38 per cent imported. The local match factory imports many of its raw materials, which are subject to duty; but it is apparent that it is holding its own against the imported article and that the intentions of the Commission of preserving an equilibrium between domestic and imported articles have been fairly well carried out.

LICENSES AND OTHER INTERNAL-REVENUE TAXES.

These taxes have been in effect since January 1, 1905, only. During the seven months ending July 31, 1905, ₱211,316.78 were collected from license taxes on dealers in alcohol and tobacco products, 26 per cent accruing in Manila and the remainder in the provinces. License taxes are very low and impose little burden upon merchants.

The taxes on merchants, manufacturers, and common carriers provided in section 139 of the internal-revenue law of one-third of 1 per cent of the gross value of all commodities sold by merchants or manufacturers is an exceedingly low one and has not proved burdensome to business. It went into effect on January 1, 1905, but has produced a larger income than was anticipated. The total collections for the seven months from January 1 to July 31, 1905, were ₱514,021.87, of which 67 per cent was collected in Manila and the remainder in the provinces, showing that a very large portion of the business of the islands is transacted in the city.

The taxes upon occupations and professions imposed by license requirements during the seven months from January 1 to July 31, 1905, amounted to ₱110,705.45, 27 per cent of which was collected in Manila and 73 per cent in the provinces.

The cedula or personal-registration tax of ₱1 upon each individual subject to the tax (analogous to the poll tax in the United States, but utilized here for the purpose of furnishing a means of identification) resulted in the seven months from January 1 to July 31, 1905, in the collection of ₱1,341,022. It is estimated that 1,400,000 cedulae should be sold. Of those sold 5.2 per cent were issued in Manila and 94.8 per cent in the provinces. The proceeds of this tax go entirely for the benefit of the provinces and municipalities. During the seven months referred to legal proceedings to enforce the collection of the cedula tax had been taken against only 357 persons out of the approximately 1,400,000 persons involved. The tax is very small in amount compared with the requirements under the former régime.

From documentary stamp taxes required by the internal-revenue law, ₱96,564.85 were collected during the seven months above referred to when that tax was in force, 67 per cent of which was paid in Manila and 33 per cent in the provinces, approximately.

The report of the collector of internal revenue is hereto annexed and marked "Exhibit No. 6," containing full and detailed information as to the operation of the law. It has attached to it a very large number of exhibits which are unnecessary to any statement of the operations of the law, but inasmuch as those exhibits contain a large

amount of valuable information as to various industries in the islands and the methods of producing alcohol and tobacco products, all of which information throws light upon the propriety and necessity for the internal-revenue law, it has been decided to forward most of them in connection with the report as exhibits. Such full exhibits will not hereafter be necessary.

NECESSITY FOR THE INTERNAL-REVENUE LAW AS A REVENUE MEASURE.

During the fiscal year 1905 the most rigid economy was exercised in the making of appropriations and authorizing expenditures in every department and bureau of the government. The appropriation for the bureau of education was diminished more than ₱400,000 below that for the fiscal year 1904. A saving to the extent of about ₱100,000 was enforced in the bureau of customs. Like reductions were made in many other bureaus. When vacancies occurred they were either not filled for a considerable time or filled at materially lower salaries than those authorized by law. The number of employees was diminished right and left. Appropriations for permanent improvements were nearly all denied except such as were indispensable for the carrying on of works already under contract wherein great loss and loss of prestige would have been incurred if the work had been suspended, such as the harbor works at Manila, improvement of the ports at Cebú and Iloílo, and the construction of the Benguet road. Extraordinary measures of relief were resorted to. One million three hundred and seven thousand pesos were, by resolutions, under Acts 1046 and 1137, taken from the Congressional relief fund for carrying on the work of constructing the Benguet road, thus relieving the general revenues to that extent.

On the 6th day of February, 1905, Congress passed the act which, among other things, authorized the issue of bonds for permanent improvements in the Philippine Islands. Long before the money could be realized from the sale of the bonds, and only three days after the passage by Congress of the act, the Commission passed Acts Nos. 1294 and 1296, by which the auditor was directed to convert back into the general funds of the treasury the sums of ₱1,312,000 and ₱314,960, making in all ₱1,626,960 which had before been appropriated from general funds for the erection of a quarantine station at Cebú, improvement of the port of Cebú, improvement of the harbor at Iloílo, the construction of light stations, improvement of Engineer Island, the construction and equipment of a marine railway thereon, and the making of other insular permanent improvements and various improvements in the city of Manila. Included in the funds so converted back into the general funds were appropriations for many things more nearly in the nature of repairs than of permanent improvements; but everything that could, by any reasonable construction, be deemed permanent improvements was included within the sweep of the two acts referred to. Every dollar that could be put back into the general funds was placed there. Nothing was turned back from the appropriations before made for improvements of the harbor at Manila or the completion of the Benguet road, because the appropriations for those two purposes had been completely exhausted before February 9. All expenditures for permanent improvements after February 9, 1905, including some that perhaps could not properly be termed permanent improvements but

more properly repairs, were provided for out of the bond issue. Those appropriations from the bond issue for the remainder of the fiscal year 1905 amounted in round numbers to ₱5,300,000, nearly all of which would have been necessarily appropriated out of general funds had not the bond issue been available.

As a result of all the economies practiced, and the relief of the treasury from the payments for permanent improvements after February 9, 1905, the fiscal year was finished with a balance of ₱585,021.36 available for appropriation. Included in the receipts for the fiscal year 1905 were ₱2,974,826.73 received from the new internal-revenue law for insular purposes. Had the internal-revenue law not been enacted there would have been a deficit at the end of the year amounting to ₱2,389,805.37, notwithstanding all the radical measures of relief above stated.

In view of the added burden upon the insular treasury that is to accrue from the payment of interest upon the public-improvement bonds already issued and soon to be issued, and the payment of the insular government's share of the interest upon bonds issued and to be issued by the city of Manila for sewers and waterworks, and of the burden that is sure to ensue during the construction period of railroads from the guaranty to be made by the government, it would seem that the situation would have been a difficult and dangerous one without the relief furnished by the internal-revenue law.

Should the land tax be suspended or abolished in the near future it would be necessary to appropriate from the general funds of the insular treasury a very large sum to enable the provinces and municipalities to get along; that is, to give them funds from insular sources to take the place of the land tax. This proposition makes the necessity for the internal-revenue law imperative.

THE TREASURY AND THE AUDITOR'S OFFICE.

The final report of the auditor upon all accounts for the fiscal year 1905 is not yet available, but when completed will be annexed to this report and marked "Exhibit No. 7."

The figures hereinafter stated, however, are based upon the accounts submitted to the auditor, and, although not in all cases in accordance with the final audited figures, are substantially correct, the only variations being in such of the accounts rendered as may hereafter be disallowed by the auditor.

The several amounts in the treasury at the close of the fiscal years 1901 to 1905, inclusive, are as follows, stated in money of the United States, old local currency being reduced to United States money at the ratios existing on each of the several dates:

June 30, 1901	-----	\$6, 222, 912. 78
June 30, 1902	-----	5, 995, 006. 49½
June 30, 1903	-----	10, 633, 693. 13
June 30, 1904	-----	16, 495, 561. 59
June 30, 1905	-----	13, 387, 012. 52

The several sums available for appropriation at the close of the fiscal years referred to are as follows:

June 30, 1901	-----	\$3, 919, 420. 00
June 30, 1902	-----	3, 999, 426. 47
June 30, 1903	-----	6, 849, 321. 28
June 30, 1904	-----	10, 547, 606. 28
June 30, 1905	-----	3, 810, 907. 75

But of the sum stated as available for appropriation on the 30th day of June, 1905, only \$292,510.68 appertained to the general fund of the insular government, the remainder belonging to the city of Manila, the Congressional relief, the gold standard, public works and permanent improvements, and Manila water supply and sewerage funds. But \$614.27 of the Congressional relief fund remained unappropriated on June 30, 1905.

The true sums available for appropriation from general funds for the years referred to, at the end of each fiscal year, were as follows:

1901	-----	\$3, 900, 000. 00
1902	-----	4, 000, 000. 00
1903	-----	2, 173, 000. 00
1904, a deficit of	-----	270, 299. 76
1905, available	-----	292, 510. 68

These figures demonstrate concisely the proposition that the insular government for a considerable period has been making excessive expenditures in proportion to its income. Beginning with a surplus of a little less than \$4,000,000 on June 30, 1901, it has expended all but a little over \$290,000 of that surplus and nearly all the Congressional relief fund of \$3,000,000. In other words, the government has expended all its revenues between June 30, 1901, and June 30, 1905, and between six and seven million dollars more. The pace has been too rapid. Large public improvements were entered upon to be paid for from current revenues, which ought not to have been undertaken without relief furnished by authority for a bond issue. That relief has now come, and from this time onward it is believed that, with proper and necessary reduction in expenses of administration and the construction of permanent public works from proceeds of bond issues, the government will be able properly to perform all its functions and continue to a considerable extent the construction of permanent public improvements and still show a satisfactory and safe condition of the treasury at the end of each fiscal year.

Had the act of Congress authorizing a bond issue for permanent improvements been so framed as to allow the insular government to reimburse itself from the proceeds of the bonds, to some extent, for the moneys expended for the three preceding years, for large permanent improvements, the treasury would have been in such condition that the reduction of appropriations for the bureau of education and other necessary expenditures would not have been required, but the act of Congress did not authorize such reimbursement.

The total receipts and disbursements of the insular government during the fiscal year 1905, excluding refundable collections and disbursements and all receipts and disbursements relating to the gold-standard fund, Congressional relief, Friar-land bonds, and city of Manila bonds or funds, but including in the disbursements interest paid on the Friar-land bonds, stated in money of the United States, were as follows:

Receipts.

Customs revenues, including Moro Province, collected in the Philippine Islands	-----	\$7, 793, 119. 28
Customs revenues collected in the United States	-----	548, 269. 64
Postal revenues	-----	136, 590. 00
Internal revenues	-----	1, 499, 408. 25

Miscellaneous revenues:

Bureau of coast guard and transportation.....	\$2, 615. 24
Board of health.....	8, 166. 95
Bureau of public lands.....	22, 170. 10
Bureau of government laboratories.....	5, 368. 55
Bureau of agriculture.....	12, 234. 62
Philippine civil hospital.....	21, 349. 83
Civil sanitarium, Benguet.....	9, 764. 40
Mining bureau.....	1. 60
Signal service.....	44, 372. 65
Bureau of prisons.....	81, 081. 76
Bureau of justice.....	789. 40
Insular cold storage and ice plant.....	349, 585. 89
Bureau of insular treasurer.....	3, 522. 21
Bureau of archives.....	4, 458. 17
Bureau of public printing.....	84, 951. 23
Official Gazette.....	7, 329. 18
Executive bureau.....	1, 870. 70
Civil-service board.....	12. 00
Forestry bureau.....	2, 084. 24
Bureau of Philippines Constabulary, Benguet road transportation.....	1, 241. 10
Notarial and judicial fees.....	84, 633. 94
Cable concessions.....	27, 723. 44
Interest on deposits.....	226, 391. 13
Spanish seized funds covered into treasury.....	3, 750. 00
Unassigned service and miscellaneous items.....	2, 439. 46
Refundable export duties and surplus of auction sales unclaimed.....	34, 683. 71
Total.....	11, 019, 978. 67

The item of Spanish seized funds is an extraordinary revenue and should be deducted from the sum above stated to show the real revenue of the government, leaving the total real revenue \$11,016,228.67.

(In addition to the revenues above stated, refundable customs, internal revenue, and forestry dues down to December 31, 1904, amounting to \$1,786,339, were collected, but which do not enter into proper statements of the real revenues of the insular government.)

The entire revenues for the city of Manila amounted to \$1,430,315.75, which, added to the insular revenues, make the total net revenues of the insular government and the city of Manila \$12,446,544.42.

The total net revenues for the insular government for the fiscal year 1905 were, as above stated, \$11,016,228.67, and for 1904, \$9,631,270.38, showing an increase in the net revenues for the fiscal year 1905 over those of 1904 of \$1,384,958.29, nearly all of which increase is due to the internal-revenue law.

DISBURSEMENTS.

The total disbursements for the insular service for the fiscal year 1905, including items disbursed during the year on account of prior fiscal years, were as follows:

The executive.....	\$612, 745. 16
Department of the interior.....	939, 933. 70
Department of commerce and police.....	3, 379, 379. 50
Department of finance and justice.....	1, 410, 082. 67
Department of public instruction.....	1, 812, 906. 94
Unassigned service.....	322, 011. 35
Support of provinces.....	62, 080. 55
Public works and permanent improvements.....	1, 709, 192. 96
Total.....	10, 248, 332. 83

The total disbursements for the city of Manila during the fiscal year 1905 on account of this year and prior years were \$2,552,009.41, making a grand total of \$12,800,342.24 disbursements for the insular government and the city of Manila for the fiscal year 1905.

The total disbursements of the insular government for the fiscal year 1904 amounted to \$12,385,465.105. The total disbursements for the insular government for the fiscal year 1905 being \$10,248,332.83, it appears that the insular disbursements for the fiscal year 1905, not including the city of Manila, were \$2,137,132.27 less than for 1904. Including the disbursements for the city of Manila with those of the insular government, the total disbursements from the insular treasury general funds were \$2,270,718.28 less for the fiscal year 1905 than for 1904.

The disbursements for the fiscal year 1904 marked, apparently, the high tide of disbursements, caused by excessive expenditures authorized by appropriation bills passed during that and former fiscal years. The showing, however, would not by any means have been so favorable for the fiscal year 1905 had it not been for the fact that after February 9, 1905, the disbursements for public improvements were made from the proceeds of the bond issue for permanent improvements.

But the disbursements for the fiscal year 1905 contained great sums for permanent improvements, among which are the following:

Bureau of architecture and public works.....	\$163, 703. 17
Improvement, port of Manila.....	759, 532. 10
Iloilo Harbor improvement.....	37, 502. 795
Cebu timber wharf.....	14, 709. 85
Cebu Harbor improvements.....	1, 867. 18
Zamboanga wharf.....	1, 132. 875
Cuyo wharf.....	565. 17
Survey steamer, coast and geodetic survey.....	61, 388. 515
Installation electric lights, Billbid.....	4, 500. 00
Quarantine service (launch).....	3, 987. 50
Cervantes and Bontoc schools.....	1, 305. 20
Repairs to Pasig River walls.....	2, 307. 435
Dredging Santa Cruz Estero.....	7, 340. 275
Roads and bridges, Act No. 1.....	1, 166. 94
Benguet road (regular appropriation).....	392, 702. 63
Bagulo improvements (regular appropriation).....	3, 008. 39
Jolo wharf.....	1, 186. 305
Calbayog pier.....	3, 599. 455
Anchorage, Zamboanga.....	5, 506. 73
Bua school.....	191. 615
Leper hospitals and public works, board of health.....	24, 088. 99
Abra River survey.....	713. 14
Calliraya River survey, Act No. 853.....	390. 255
Improvement of river front, city of Manila.....	21, 112. 69
Construction of tramway at Jolo.....	428. 08
Improvements on Engineer's Island, construction of vessels, light-houses, and marine railway.....	195, 255. 67
Total.....	1, 709, 192. 96 ✓

There were also the following extraordinary disbursements made during the year which will not appear in subsequent statements, but appropriations for which had been made prior to the fiscal year 1905, though the payments were made during that year:

The St. Louis exposition, excess of expenditures over receipts during fiscal year	\$169, 204. 72
Honorary commission to the United States	33, 953. 63
Expenses for the census	14, 492. 66
Total	217, 651. 01

The final result therefore is as follows:

Total disbursements for the insular government, including city of Manila	\$12, 800, 342. 24
Total revenues of the insular government, including city of Manila	12, 446, 544. 42
Excess of expenditures over revenues during fiscal year 1905, amounting to	353, 797. 82

There were, however, covered into the treasury during the fiscal year 1905 the following sums, and made available for appropriation from general funds:

Act No. 729	\$633, 216. 39
Act No. 1246	6, 000. 00
Act No. 1294	656, 000. 00
Act No. 1361	35, 328. 92
Refundable export duties and surplus on auction sales not claimed within the legal period	34, 683. 71
Total	1, 365, 229. 02

Act No. 729 covered into the treasury \$633,216.39, undrawn appropriations made for prior years and which had not been used. Act No. 1294 covered back into the treasury unexpended appropriations for permanent improvements, so that provision might be made for the continuance of the work out of the proceeds of the bond issue, and Act No. 1361 covered back into the treasury \$35,683.71, available for general purposes.

While these repayments to the treasury were not revenues, yet in a sense they were receipts. Adding the net general revenues, insular and for the city of Manila above stated, \$12,446,544.42, to the amounts covered into the treasury, as above stated, \$1,365,229.02, it results that the total receipts of the government during the year, including revenues and repayments, amounted to \$13,811,773.44.

The total disbursements of the insular government for the year being \$12,800,342.24, as above stated, the result is that the disbursements of the insular government for the fiscal year were \$1,011,431.20 less than the total revenues and receipts.

In the foregoing statements of insular revenues, no reimbursable items are included which are not in the nature of revenue proper; that is, no revenues are included which accrue only from reimbursable or revolving payments like those of the insular purchasing agent.

In the fiscal year 1904 there were expenditures in excess of both revenues and receipts amounting to \$2,274,023.66.

The foregoing statements deal with revenues and receipts on the one side and the disbursements on the other, and are totally distinct con-

siderations from those that arise from the amount of appropriations made during the several years concerning which statements are made.

The details of the receipts and disbursements of each bureau are all fully stated in the auditor's report. Deducting the earnings or receipts of each bureau from the amount of its disbursements will show the net cost of the operation thereof; but it is believed that no advantage will accrue to the Commission or to any one interested in the details of the government finances by setting out those results item by item in this report.

CONGRESSIONAL RELIEF FUND.

The details of the expenditure of this fund appertain to the office of the governor-general and not to this office. The items, however, are all found in the auditor's report. At the close of the fiscal year 1904 the amount to the credit of the Congressional relief fund in the treasury was \$1,232,895.99, and at the close of the fiscal year 1905 \$504,099.47, which last item includes undrawn appropriations and the amount available for appropriation.

FRIAR-LAND FUNDS.

During the fiscal year 1905 the sum of \$3,698,524.50 has been expended from the proceeds of bonds authorized by Congress and issued by the insular government for the payment of the friar lands purchased, incidental expenses, and interest on the bonds.

On June 30, 1905, there remained the sum of \$4,115,057.16 subject to further expenditure for the purposes of the fund. The details of the transactions relating to this fund will appear in the report of the governor-general. It is proper, however, here to remark that since the close of the fiscal year 1905 the purchase of the friar lands has been completed and final payments for such purchases have been made, and that there remains a considerable sum realized from the sale of the bonds, the disposition of which will be provided for in an act subsequently to be presented to the Commission for its consideration.

INSULAR FUNDS DISBURSED FOR GENERAL GOVERNMENT PURPOSES.

During the fiscal year 1905 \$85,470.35 were expended from the insular treasury for quarantine service, \$120,820.47 for coast and geodetic survey service, and \$289,749.08 for the construction of light-houses and light-house service. Each of these services are of a character which in other insular possessions is carried on at the expense of the Government of the United States. A portion of the expense of the coast and geodetic survey of the Philippine Islands is borne by the Government of the United States, but the expenditures from the insular treasury are as above stated. At the rate at which the coast and geodetic survey work is being carried on it probably will require fifteen years to complete it. The work is vital and for the benefit of the commerce of the world. The quarantine service is likewise for the general purposes of all shipping, and so is the light-house service. While the insular government has carried forward the construction of new light-houses as rapidly as its facilities will

admit, yet many new lights are needed which the resources of the insular government do not enable it to construct.

It is suggested that the Congress of the United States be asked to make provision that all these services be paid for wholly out of the United States Treasury, and that the coast and geodetic survey service be largely increased in order that the work may be more expeditiously completed.

PUBLIC WORKS AND PERMANENT IMPROVEMENT FUNDS.

Under the provisions of Act No. 1301, in accordance with the authority given by Congress in the act of February 6, 1905, bonds to the amount of \$2,500,000 were sold for the purpose of realizing funds to be used in the construction of public works and permanent improvements. The bonds are payable in thirty years from date and redeemable in ten years, bear 4 per cent interest, and were sold at a premium of \$230,304.35. Treating them as ten-year bonds, because it is assumed that at the expiration of ten years, when the right of redemption exists, the Government will pay them off in full, partly from the proceeds of the funds to be accumulated for that purpose and the remainder by a new issue of bonds, it appears that the bonds were sold on practically a 3 per cent basis. Practically the entire fund has been appropriated during the fiscal year for various public improvements by the following Acts:

No. 1342 -----	\$4, 898, 794. 08
No. 1307 -----	32, 000. 00
No. 1357 -----	55, 000. 00
No. 1360 -----	350, 000. 00
No. 1378 -----	24, 000. 00
No. 1379 -----	100, 814. 62
Total -----	5, 460, 608. 70

The net withdrawals from the proceeds of the bond issue to June 30, 1905, amounted to \$925,773.58, leaving in the treasury subject to further withdrawal and appropriation the sum of \$1,829,547.44, nearly all of which, as above stated, has already been appropriated. The sum of \$25,000 was advanced from the general revenue account for the payment of interest on the bonds.

THE MANILA WATER SUPPLY AND SEWERAGE FUND.

By virtue of the authority given by Congress and of Act No. 1323 of the Philippine Commission, bonds to the face value of \$1,000,000 were sold during the month of June, 1905, to secure funds for the construction of a new water supply and sewerage for the city of Manila. The bonds were sold as 10-30 bonds, like those of the insular government, and realized a premium of \$95,625. Treating them as ten-year bonds, upon the same theory as above stated in connection with the insular government permanent improvement bonds, they were likewise sold on a basis of approximately 3 per cent. Both of these sales show that the credit of the insular government and of the city of Manila is very high in the United States, and there is no reason why it should not always be maintained on the same high standard. The bonds are absolutely secure and have special privi-

leges, such as exemption from all taxation by the Government of the United States or of any State or territorial division thereof, or by either the insular, provincial, or municipal governments of the Philippine Islands. They likewise have been made available, by order of the Secretary of the Treasury of the United States, for deposit in national banks as security for deposits of governmental funds in such banks. None of the money realized from the sale of these bonds was withdrawn during the fiscal year 1905, and in the meanwhile remains in the banks where deposited at a satisfactory rate of interest.

PROPOSED SUSPENSION OF THE LAND TAX.

For reasons unnecessary to be discussed here at length the temporary suspension of the land tax in the early future has been proposed and discussed to a considerable extent. The provinces and municipalities are already very short of funds to meet necessary expenses. If they were deprived of the land taxes they would be unable to carry on their respective governments without very great reduction in expenditures, and the schools in particular would be very largely without means for the payment of teachers and other expenses unless provision were made from some other source.

The amount of land tax collected during the fiscal year 1905 in the provinces amounted to \$1,351,079.13, of which \$400,872.69 accrued to the provincial general fund, \$203,689.85 to the provincial road and bridge fund, \$746,516.59 to the municipal funds, and in the city of Manila to the sum of \$540,388.40. It undoubtedly is not contemplated that the land tax should be suspended in the city of Manila. Such a suspension would render it impossible for the city to go on with the government as at present organized, to say nothing of the construction of permanent improvements. The question as to whether upward of \$1,350,000 that the provinces would lose by the suspension of the land tax can be provided for in any way out of other revenues is not here discussed. The problem is suggested for such consideration as it may receive should the proposition to suspend the land tax be deemed worthy of further action.

INSULAR BUDGET FOR THE YEAR 1906.

By virtue of Executive order No. 14, dated April 1, 1905, a committee was appointed for the purpose of inquiring into and thoroughly analyzing the organization of bureaus and offices of the insular government with the view of determining the usefulness of each bureau or office, the possibilities of improvement therein by eliminating the duplication of labor, considering the equalization of salaries, the methods employed in bookkeeping, and, generally, to suggest any changes in office management that will tend to simplify methods of labor and be productive of economy and increased efficiency.

The committee had not finished its work at the time when the regular appropriation bills for the fiscal year 1906 would properly have been passed. To meet the contingency of providing the necessary funds for the various bureaus until the regular appropriation was passed, Act No. 1358 was passed, renewing for the fiscal year 1906 the appropriations for each of the separate bureaus and agencies of the Government as for the fiscal year 1905. It was therefore impracticable to prepare a budget with any degree of accuracy until the

report of that committee had been received and acted upon, the estimates revised in accordance with the action finally taken upon that report, and the appropriation bill passed. Before the final completion of this report, however, those steps have been taken and regular appropriation bills have been passed. It has been deemed wise to make all appropriations for permanent improvements for the present from the proceeds of the bond issue already made or to be hereafter authorized. The appropriation bill for the regular service of the insular government for the fiscal year 1906 calls for \$8,671,030.50, including the sums authorized by virtue of Act No. 1358, above referred to, as well as those for the remainder of the year under the reorganization recommended by the committee and in considerable part adopted by the Commission.

By virtue of acts passed since the 30th day of June, 1905, down to the 1st day of November, appropriations have been made for interest upon the friar land, public improvement, and city of Manila bonds, as provided for by Act No. 1284, which constitute regularly recurring charges, and the amounts to be so expended are to be added to the appropriations for the regular service of the insular government, as above stated.

The total appropriations for the fiscal year for insular use therefore may be stated as follows:

For the regular service, appropriated by Act No. 1416, \$8,671,030.50. By other acts passed between June 30 and October 31, 1905, \$12,100. For interest during the year upon the friar land bonds, \$280,000. For interest during the year upon permanent improvement bonds, \$100,000. For regularly recurring donations to Moro sultan and dattos, \$7,225. Total, \$9,070,355.50.

For the city of Manila for the fiscal year 1906 the appropriations out of the insular treasury have been made for general purposes, including permanent improvements, and for the payment of interest upon \$1,000,000 of water supply and sewerage bonds already issued during the year by virtue of the recurring appropriation bill, and for the bond issue sinking fund, \$2,344,211.50.

Some deficiency appropriations may be necessary for the general insular service, and possibly for the city of Manila. The amount of such appropriations can not be here stated or approximately estimated, but it is anticipated that very small, if any, additional appropriations will be made.

It is hoped that the estimate of revenues for the year hereinafter stated may prove to have been conservative, so that there may be a sufficient excess of revenues above the sums estimated to provide for any deficiency of appropriations that may be required during the year. The budget therefore will be presented upon the basis of appropriations actually made down to December 15, 1905, for the fiscal year 1906, and upon the theory that any further appropriations made for the year will be taken care of by excess of revenues above estimates.

Included in the general appropriation bill are disbursements for several provinces whose financial resources are very limited, most of which are inhabited mainly by non-Christian people.

In the appropriation bill for the city of Manila the sum of \$380,675 for permanent improvements is included.

The receipts for the insular government during the fiscal year are, of course, to a considerable degree, matters of estimate. The total

deposits of net revenues for the months of July, August, September, October, and November, 1905, amounted to \$4,768,973.93, not including deposits on account of collections of the city of Manila or refundable or reimbursable receipts or customs receipts in the Moro Province, which accrue to that province and not to the insular treasury. Included in this statement of income is the sum of \$63,150.08 received from the interest on the proceeds of the friar-land bonds, which will not hereafter be received. Deducting the interest from the total receipts, the total remains \$4,705,822.89.

Assuming that the revenues for the year will be twelve-fifths of what they have been for the first five months, the total net insular revenues for the year would be \$11,293,974.96, to which should be added \$63,150.08, received as interest on friar-land money, making the total revenue for the year \$11,357,125.04. The amounts to be collected under the internal-revenue law can not be stated with accuracy, partly because of continued agitation in respect to its various schedules of taxation, which seriously affects the income. That agitation has now substantially ended, and results can hereafter be estimated with more certainty. The estimate above stated treats the total revenues for the year as probably being on the same ratio as for the first five months, which is perhaps as fair a basis as can be suggested. The revenues for customs during those five months are slightly less than those accruing during the corresponding five months of the fiscal year 1905 and, of course, those accruing from the internal-revenue law are largely in excess of those received last year, because many of the provisions of that law were not effective until January 1, 1905, and because of the special circumstances relating to alcohol and tobacco products stated in the foregoing portion of this report.

The municipal board of the city of Manila estimates the revenues of the city for the year to be \$1,553,194.57.

The revenues available for appropriation, therefore, may be thus estimated:

Insular revenues for the year.....	\$11, 357, 125. 04
City of Manila	1, 553, 194. 57
Total estimated revenues for the year.....	12, 910, 319. 61

Grand summary, fiscal year 1906.

Total estimated revenues for the insular government and the city of Manila	\$12, 910, 319. 61
Total appropriations for the insular government and the city of Manila	11, 414, 587. 00
Showing an apparent surplus of.....	1, 495, 752. 61

Should such a surplus materialize at the end of the year it will all be needed.

Additional permanent improvement bonds and bonds for the completion of the water supply and sewerage system of the city of Manila must be issued. The added interest and sinking fund burden will be very heavy and must be provided for. Both of these issues are unavoidable in the near future. During the construction period of the railroads, bids for which are to be opened soon, very large calls will be made for the payment of interest to be guaranteed on the

bonds for the construction of the road. The government should be ready to meet these demands, and ought to have a surplus not only for that purpose but to meet other contingencies that may arise. This is indispensable for general safety, for the maintenance of the credit of the government, and for the purpose of making ready to meet the obligations incident to the guaranty of the railroad bonds.

It is impossible to make any estimate as to what sum will accrue to the treasury during the year from repayments from former appropriations. Nearly all anticipated repayments for the fiscal year have already been made and enter into the foregoing statements of revenues for the first five months. There is no basis for making an estimate as to further receipts in that respect, and the auditor is unable to furnish data that will be helpful. Whatever benefit, if any, that may accrue to the treasury from that source is not included in the estimate here presented.

It is believed that the reduction of expenses has not yet been completed, and that next year will show a still further material reduction.

Further comments upon some phases of this budget will be found earlier in this report in connection with the suggested suspension of the land tax.

BUDGET FOR THE CITY OF MANILA.

The revenues for the city of Manila for the fiscal year 1906, as estimated by the municipal board, as above stated, amount to \$1,553,194.57.

The appropriations for the city of Manila, as above stated, are \$2,344,211.50, including permanent improvements, sinking fund, and interest on bond issues, but not including expenses of the new water supply and sewerage system provided for from the proceeds of the sale of bonds.

The balance of the appropriations for the city above the estimated income is provided for by payment from the general funds of the insular government of 30 per cent of the expenditures of the city, as provided by law. The statement of the budget of the city of Manila will therefore be:

Revenues	\$1,553,194.57
30 per cent of expenditure to be paid by the Insular government.....	703,263.45
Aggregate income	2,256,458.02
Total appropriations.....	2,344,211.50
Showing an apparent deficiency of.....	87,753.48
Deficit June 30, 1905.....	12,420.59
Probable deficit June 30, 1906.....	100,174.07

The estimated income for the city of Manila is less than for the fiscal years 1904 and 1905, resulting from the fact that in 1904 the internal-revenue collections from distilleries, manufacturers of cigars and cigarettes, tobacco manufacturers, and brewers located in the city accrued to the city. The same condition existed in part during the fiscal year 1905, while during the present fiscal year the whole revenue goes into the insular treasury to be apportioned to the various provinces, including the city of Manila, in proportion to population.

FINANCIAL CONDITION OF THE PROVINCES AND MUNICIPALITIES.

The following summary shows substantially the condition of the provincial and municipal governments, but certain minor license taxes are paid to the municipal treasurers and do not appear in this statement, which covers only such provincial and municipal funds as the provincial treasurers primarily collect and control:

Abra Province.—Cash balance July 1, 1904: Provincial fund, ₱1,783.32, 1,571.40 pfs.; Congressional relief fund, ₱6,857.24, 561.34 pfs.; total, ₱8,640.56, 2,132.74 pfs. Refund of provincial expenditures, ₱680.68. Revenues collected: Provincial, ₱3,616.21, 251.97 pfs.; municipal, ₱11,379.55, 412.82 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱2,958.14; municipal, ₱3,058.14. Appropriations for province, ₱18,716.75. Provincial expenditures, ₱27,781.96. Balance transferred to Ilocos Sur March 31, 1904: Provincial fund, ₱227.57; Congressional relief fund, ₱3,699.25, 2,130.90 pfs.; total, ₱3,926.82, 2,130.90 pfs. Cash balance June 30, 1905: Provincial fund, ₱3,590.84.

Albay Province.—Cash balance July 1, 1904: Provincial fund, ₱17,912.72, 1,383.67 pfs.; Congressional relief fund, ₱54,671.56; total, ₱72,584.28, 1,383.67 pfs. Refunds of provincial expenditures, ₱6,786.89. Revenues collected: Provincial, ₱101,627.57, 5,282.61 pfs.; municipal, ₱176,129.02, 12,595.11 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱34,811.90; municipal, ₱43,508.09. Loans to province, ₱65,000. Provincial expenditures, ₱158,773.83. Cash balance June 30, 1905: Provincial fund, ₱34,276.48; Tobacco-Ligao road, ₱62,274.95; Congressional relief fund, ₱33,402.83; total, ₱129,954.26.

Ambos Camarines Province.—Cash balance July 1, 1904: Provincial fund, ₱2,461.46, 27,927.55 pfs. Refunds of provincial expenditures, ₱8,624.06, 271.21 pfs. Revenues collected: Provincial, ₱50,736.65, 4,622.40 pfs.; municipal, ₱66,446.34, 5,927.63 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱23,727.49; municipal, ₱27,444.86. Appropriations for province, ₱12,000. Provincial expenditures, ₱99,484.11. Cash balance June 30, 1905: Provincial fund, ₱8,976.36, 453.83 pfs.; Congressional relief fund, ₱4,285.05; total, ₱13,261.41, 453.83 pfs.

Antique Province.—Balance July 1, 1904: Provincial fund, ₱4,876.79, 1,932.18 pfs.; Congressional relief fund, ₱314.10, 79.84 pfs.; total, ₱5,190.89, 2,012.02 pfs. Refunds of provincial expenditures, ₱967.19, 9.63 pfs. Revenues collected: Provincial, ₱13,184.33, 504.71 pfs.; municipal, ₱27,476.11, 888.10 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱11,015.80; municipal, ₱13,240.43. Provincial expenditures, ₱23,271.81. Cash balance June 30, 1905: Provincial fund, ₱7,419.20; Congressional relief fund, ₱358.28; total, ₱7,777.48.

Bataan Province.—Cash balance July 1, 1904: Provincial fund, ₱6,222.26, 178.28 pfs. Refunds of expenditures, ₱2,105.24. Revenues collected: Provincial, ₱15,205.75, 816.03 pfs.; municipal, ₱27,152.93, 1,074.81 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱8,884.99; municipal, ₱10,472.51. Appropriations for province, ₱2,130.80. Provincial expenditures, ₱26,387.82. Cash balance June 30, 1905: Provincial fund, ₱7,393.90, 1,419.47 pfs.; Congressional relief fund, ₱459.53; total, ₱7,853.43, 1,419.47 pfs.

Batangas Province.—Cash balance July 1, 1904: Provincial fund, ₱24,004.52, 3,860.04 pfs.; special school fund, ₱39,514.66; total, ₱63,519.18, 3,860.04 pfs. Refunds of provincial expenditures, ₱8,879.24. Revenues collected: Provincial, ₱110,659.03, 349.50 pfs.; municipal, ₱116,493.19, 1,905.89 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱29,954.93; municipal, ₱35,314.74. Provincial expenditures, ₱182,075.64. Cash balance June 30, 1905: Provincial fund, ₱20,297.68; school-building fund, ₱15,379.38; total, ₱35,677.06.

Benguet Province.—Cash balance July 1, 1904: Provincial fund, ₱1,699.74, 129.85 pfs. Revenues collected: Provincial, ₱313.66. Refunds of forestry and internal-revenue collections: Provincial, ₱1,496.58; municipal, ₱1,855.60. Appropriations for province, ₱20,841.05. Provincial expenditures, ₱19,555.20. Cash balance June 30, 1905: Provincial fund, ₱3,672.83, 1,127.47 pfs.

Bohol Province.—Cash balance July 1, 1904: Provincial fund, ₱17,656.21, 16,806.67 pfs. Refunds of provincial expenditures, ₱2,508.12. Revenues collected: Provincial, ₱16,683.56, 3,395.94 pfs.; municipal, ₱41,756.47, 7,486.97 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱28,309.05; municipal, ₱34,264.78. Provincial expenditures, ₱50,168.59, 126.50 pfs. Cash balance June 30, 1905, provincial fund, ₱17,872.87, 30,346.27 pfs.

Bulacán Province.—Cash balance July 1, 1904: Provincial fund, ₱73,564.55, 326.85 pfs.; Congressional relief fund, ₱2.28; total, ₱73,566.83, 326.85 pfs. Refunds of provincial expenditures, ₱7,444.94, 6.10 pfs. Revenues collected: Provincial, ₱86,745.96, 1,280.91 pfs.; municipal, ₱147,974.20, 5,564.95 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱27,175.34; municipal, ₱32,720.03. Loans to province, ₱10,000. Provincial expenditures, ₱144,208.41. Cash balance June 30, 1905: Provincial fund, ₱57,792.30; Congressional relief fund, ₱39.43; total, ₱57,831.73.

Cagayán Province.—Cash balance July 1, 1904: Provincial fund, ₱15,786.81, 29,700.88 pfs. Refunds of provincial expenditures, ₱11,109.40. Revenues collected: Provincial ₱39,023.27, 2,015.62 pfs.; municipal, ₱103,888.89, 5,947.25 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱23,155.49; municipal, ₱28,231.56. Provincial expenditures, ₱89,124.77. Cash balance June 30, 1905: Provincial fund, ₱3,544.75, 26,478.97 pfs.; Congressional relief fund, ₱154.87; total, ₱3,699.62, 26,478.97 pfs.

Cápitá Province.—Cash balance July 1, 1904: Provincial fund, ₱6,564.78, 745.56 pfs.; Congressional relief fund, ₱54.18; total, ₱6,618.96, 745.56 pfs. Refunds of provincial expenditures, ₱3,157.17. Revenues collected: Provincial, ₱49,259.09, 1,730.18 pfs.; municipal, ₱59,788.31, 2,806.53 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱22,434.89; municipal, ₱26,379.37. Appropriations for province, ₱10,000. Provincial expenditures, ₱81,971.87. Cash balance June 30, 1905, provincial fund, ₱8,736.05.

Cavite Province.—Cash balance July 1, 1904: Provincial fund, ₱22,005.70. Refunds of various expenditures, ₱1,293.94. Revenues collected: Provincial, ₱92,148.19, 648.81 pfs.; municipal, ₱130,517.58, 913.34 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱20,222.17; municipal, ₱23,523. Appropriations for province, ₱11,575. Loans to province, ₱25,000. Provincial expenditures, ₱112,463.97. Cash balance June 30, 1905: Provincial fund, ₱48,057.43; Congressional relief fund, ₱8,225.52; total, ₱56,292.95.

Cebú Province.—Cash balance July 1, 1904: Provincial fund, ₱8,453.35, 61,102.86 pfs. Refunds of various expenditures, ₱13,761.19, 115 pfs. Revenues collected: Provincial, ₱63,586.22, 17,204.75 pfs.; municipal, ₱159,995.56, 22,482.68 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱75,183.74; municipal, ₱85,695.02. Loans to province, ₱60,000. Provincial expenditures, ₱167,593.98. Cash balance June 30, 1905: Provincial fund, ₱106,976.66; Congressional relief fund, ₱132.08; total, ₱107,108.74.

Ilocos Norte Province.—Cash balance July 1, 1904: Provincial fund, credit, ₱7,150.51; debit, 13,782.73 pfs.; Congressional relief fund, ₱22,090.43; total, ₱14,939.92, 13,782.73 pfs. Refunds of provincial expenditures, ₱4,497.64. Revenues collected: Provincial, ₱35,262.72, 0.03 pfs.; municipal, ₱49,153.25, 445.99 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱24,079.22; municipal, ₱27,455.49. Appropriations for province, ₱15,976.42. Provincial expenditures, ₱78,583.14. Cash balance June 30, 1905: Provincial fund, ₱6,784.25; Congressional relief fund, ₱14,124.65; total, ₱20,908.90.

Ilocos Sur Province.—Cash balance July 1, 1904: Provincial fund, ₱17,826.46, 13,058.69 pfs.; Congressional relief fund, ₱401.92; total, ₱18,228.38, 13,058.69 pfs. Refunds of various expenditures, ₱8,241.90. Revenues collected: Provincial, ₱52,583.09, 8,155.26 pfs.; municipal, ₱111,145.20, 11,044.24 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱27,651.39; municipal, ₱33,506.77. Transfer from Abra Province, ₱3,926.82, 2,130.90 pfs. Provincial expenditures, ₱110,544.56. Cash balance June 30, 1905: Provincial fund, ₱15,586.81, 163 pfs.; Congressional relief fund, ₱5,475.40; total, ₱21,062.21, 163 pfs.

Iloilo Province.—Cash balance July 1, 1904: Provincial fund, ₱43,525.12, 9,684.98 pfs. Refunds of provincial expenditures, ₱6,525.05. Revenues collected: Provincial, ₱114,832.43, 5,963.58 pfs.; municipal, ₱233,321.09, 12,008.64 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱55,524.74; municipal, ₱64,735.98. Provincial expenditures, ₱163,303.82. Cash balance June 30, 1905: Provincial fund, ₱66,173.39, 4,253.30 pfs.; Congressional relief fund, ₱217; total, ₱66,390.39, 4,253.30 pfs.

Isabela Province.—Cash balance July 1, 1904: Provincial fund, ₱14,672.04, 13,575.77 pfs. Refunds of provincial expenditures, ₱3,631.93, 39 pfs. Revenues collected: Provincial, ₱15,981.55, 80.68 pfs.; municipal, ₱43,914.90, 1,039.18 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱12,519.97; municipal, ₱14,221.30. Provincial expenditures, ₱51,907.73. Cash balance June 30, 1905: Provincial fund, debit, ₱1,261.71; credit, 7,894.58 pfs.

La Laguna Province.—Cash balance July 1, 1904: Provincial fund, ₱30,298.01, 6,568.19 pfs. Refunds of various expenditures, ₱8,469.98. Revenues collected: Provincial, ₱109,662.21, 3,878.87 pfs.; municipal, ₱194,284.78, 10,219.37 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱23,154.82; municipal, ₱31,108.76. Provincial expenditures, ₱107,549.03. Cash balance June 30, 1905: Provincial fund, ₱74,363.19, 8,464.60 pfs.; Congressional relief fund, ₱290.97; total, ₱74,654.16, 8,464.60 pfs.

La Unión Province.—Cash balance July 1, 1904: Provincial fund, ₱2,884.02, 10,597.26 pfs.; Congressional relief fund, ₱4,110.81; total, ₱6,994.83, 10,597.26 pfs. Refunds of provincial expenditures, ₱1,949.25. Revenues collected: Provincial, ₱38,893.08, 641.61 pfs; municipal, ₱70,960.18, 2,065.69 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱17,352.85; municipal, ₱20,775.12. Provincial expenditures, ₱59,471.21. Cash balance June 30, 1905: Provincial fund, ₱5,115.92, 12,829.58 pfs.; Congressional relief fund, ₱406.55; total, ₱5,522.47, 12,829.58 pfs.

Lepanto-Bontoc Province.—Cash balance July 1, 1904: Provincial fund, ₱8,153.55, 2,858.78 pfs. Refunds of provincial expenditures, ₱657.96. Revenues collected: Provincial, ₱147.60; municipal, ₱13,592.04, 145.77 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱7,204.31; municipal, ₱8,396.72. Appropriations for province, ₱28,227. Provincial expenditures, ₱42,380.77. Cash balance June 30, 1905: Provincial fund, ₱7,059.88, 119.70 pfs.

Leyte Province.—Cash balance July 1, 1904: Provincial fund, ₱24,864.40, 4,826.75 pfs. Refunds of various expenditures, ₱3,906.66. Revenues collected: Provincial, ₱64,287.09, 3,583.09 pfs.; municipal, ₱130,801.46, 3,888.09 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱52,854.77; municipal, ₱60,829.79. Provincial expenditures, ₱135,011.98. Cash balance May 31, 1905: Provincial fund, ₱9,792.14; school-building fund, ₱1,650.50; total, ₱11,442.64. June account not received.

Masbate Province.—Cash balance July 1, 1904: Provincial fund, ₱4,056.26, 517.29 pfs; Congressional relief fund, ₱2,812.71, 734.49 pfs.; total, ₱6,868.97, 1,251.78 pfs. Refunds of provincial expenditures, ₱1,460.63. Revenues collected: Provincial, ₱11,818.21; municipal, ₱27,889.92. Refunds of forestry and internal-revenue collections: Provincial, ₱8,138.35; municipal, ₱9,246.05. Provincial expenditures, ₱22,704.79. Cash balance June 30, 1905: Provincial fund, ₱3,853.70; Congressional relief fund, ₱2,878.66; total, ₱6,732.36.

Mindoro Province.—Cash balance July 1, 1904: Provincial fund, ₱12.39, 3,975.73 pfs.; Congressional relief fund, ₱6,530.97, 1,297.54 pfs.; total, ₱6,543.36, 5,273.27 pfs. Refunds of provincial expenditures, ₱1,302.83, 24 pfs. Revenues collected: Provincial, ₱9,952.93, 512.61 pfs.; municipal, ₱29,792.08, 1,426.11 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱7,711.90; municipal, ₱8,595.25. Appropriations for province, ₱37,269.05. Provincial expenditures, ₱64,692.44, 101.45 pfs. Cash balance June 30, 1905: Provincial fund, ₱1,213.35; Congressional relief fund, ₱1,184.09; total, ₱2,397.44.

Misamis Province.—Cash balance July 1, 1904: Provincial fund, ₱7,721.84, 7,525.89 pfs. Refunds of provincial expenditures, ₱2,350.72. Revenues collected: Provincial, ₱35,759.45, 3,210.35 pfs.; municipal, ₱61,075.48, 4,244.94 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱18,269.02; municipal, ₱21,571.44. Provincial expenditures, ₱56,561.66. Cash balance June 30, 1905: Provincial fund, ₱14,512.38, 93.20 pfs.

Nueva Écija Province.—Cash balance July 1, 1904: Provincial fund, ₱15,188.59, 413.81 pfs. Refunds of provincial expenditures, ₱2,187.29. Revenues collected: Provincial, ₱55,934.05, 1,845.61 pfs.; municipal, ₱68,650.40, 2,251.66 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱18,792.28; municipal, ₱22,491.62. Provincial expenditures, ₱69,355.54. Cash balance June 30, 1905: Provincial fund, ₱22,144.66; Congressional relief fund, ₱2,935.76; total, ₱25,080.42.

Nueva Vizcaya Province.—Cash balance July 1, 1904: Provincial fund, ₱2,972.98, 739.31 pfs.; provincial building fund, ₱3,913; total, ₱6,885.98, 739.31 pfs. Refunds of provincial expenditures, ₱920.84. Revenues collected: Provincial, ₱225.58; municipal, ₱14,646. Refunds of forestry and internal-revenue collections: Provincial, ₱4,336.22; municipal, ₱5,375.33. Appropriations for province, ₱20,000. Provincial expenditures, ₱27,021.91. Cash balance June 30, 1905: Provincial fund, ₱2,544.83, 51.90 pfs.; provincial building fund, ₱1,585.70; total, ₱4,130.53, 51.90 pfs.

Occidental Negros Province.—Cash balance July 1, 1904: Provincial fund, ₱21,649.90, 1,918.42 pfs.; Congressional relief fund, ₱1,404.74, 152.82 pfs.; secondary school fund, ₱19,388.95; total, ₱42,443.59, 2,071.24 pfs. Refunds of provincial expenditures, ₱4,846.01, 52.66 pfs. Revenues collected: Provincial,

₱104,487.33, 5,491.66 pfs.; municipal, ₱142,131.90, 6,346.68 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱46,204.81; municipal, ₱61,986.21. Provincial expenditures, ₱149,004.56, 1,014.22 pfs. Cash balance June 30, 1905: Provincial fund, ₱28,227.11, 566.73 pfs.; Congressional relief fund, ₱1,212.78; secondary school fund, ₱18,103.61; total, ₱47,543.50, 566.73 pfs.

Oriental Negros Province.—Cash balance July 1, 1904: Provincial fund, ₱24,914.33, 3,084.31 pfs.; Congressional relief fund, ₱31,957.36, 5,707.43 pfs.; total, ₱56,871.69, 8,791.74 pfs. Refunds of provincial expenditures, ₱6,475.72. Revenues collected: Provincial, ₱27,196.95, 6,888.80 pfs.; municipal, ₱50,533.15, 8,100.48 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱21,791.03; municipal, ₱28,141.65. Provincial expenditures, ₱89,087.61. Cash balance June 30, 1905: Provincial fund, ₱8,468.60, 7,741 pfs.; Congressional relief fund, ₱6,378.02, 12,745.97 pfs.; total, ₱14,846.62, 20,486.97 pfs.

Pampanga Province.—Cash balance July 1, 1904: Provincial fund, ₱64,325.43, 7,623.61 pfs.; Congressional relief fund, ₱83.14; total, ₱64,408.57, 7,623.61 pfs. Refunds of provincial expenditures, ₱14,711.70, 4.62 pfs. Revenues collected: Provincial, ₱109,363.06, 905.40 pfs.; municipal, ₱169,278.16, 1,379.30 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱29,528.83; municipal, ₱35,066.21. Provincial expenditures, ₱111,029.67. Cash balance June 30, 1905: Provincial fund, ₱114,129.01.

Pangasinan Province.—Cash balance July 1, 1904: Provincial fund, ₱66,085.43, 9,295.41 pfs. Refunds of provincial expenditures, ₱27,055.35, 98.13 pfs. Revenues collected: Provincial, ₱120,452.20, 1,042.78 pfs.; municipal, ₱252,105.33, 3,076.60 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱65,607.88; municipal, ₱76,551.89. Provincial expenditures, ₱172,003.52, 52.69 pfs. Cash balance June 30, 1905: Provincial fund, ₱87,795.62, 26,190.19 pfs.

Palawan Province.—Cash balance July 1, 1904: Provincial fund, ₱2,654.76. Refunds of provincial expenditures, ₱1,062.78. Revenues collected: Provincial, ₱1,479.24; municipal, ₱10,774.87. Refunds of forestry and internal revenue collections: Provincial, ₱4,550.23; municipal, ₱5,286.22. Appropriations for province, ₱10,000. Provincial expenditures, ₱17,066.30. Cash balance June 30, 1905, provincial fund, ₱1,609.51.

Rizal Province.—Cash balance July 1, 1904: Provincial fund, ₱32,912.71, 3,150.18 pfs. Refunds of various expenditures, ₱3,599.46. Revenues collected: Provincial, ₱71,331.43, 269.04 pfs.; municipal, ₱139,165.56, 4,263.51 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱19,884.74; municipal, ₱25,478.51. Provincial expenditures, ₱96,258. Loans repaid, ₱2,000. Cash balance June 30, 1905: Provincial fund, ₱35,669.42; Congressional relief fund, ₱82.39; total, ₱35,751.81.

Romblon Province.—Cash balance July 1, 1904: Provincial fund, ₱15,215.53, 150.08 pfs.; Congressional relief fund, ₱1,247.04; total, ₱16,462.57, 150.08 pfs. Refunds of various expenditures, ₱995.37. Revenues collected: Provincial, ₱18,327.01, 1,961.55 pfs.; municipal, ₱29,280.64, 2,950.88 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱4,541.36; municipal, ₱5,547.40. Loans repaid, ₱2,000. Provincial expenditures, ₱26,289.98. Cash balance June 30, 1905: Provincial fund, ₱15,285.93, 304.04 pfs.; Congressional relief fund, ₱1,700.72; total, ₱16,986.65, 304.04 pfs.

Samar Province.—Cash balance July 1, 1904: Provincial fund, ₱74,464.82, 3,798.24 pfs.; Congressional relief fund, ₱618.76; total, ₱75,083.58, 3,798.24 pfs. Refunds of provincial expenditures, ₱5,443.85. Revenues collected: Provincial, ₱46,502.40, 56 pfs.; municipal, ₱77,374.72, 56 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱36,805.65; municipal, ₱42,175.01. Provincial expenditures, ₱160,873.75, 48.90 pfs. Cash balance June 30, 1905, provincial fund, ₱4,970.04, 135.30 pfs.

Sorsogon Province.—Cash balance July 1, 1904: Provincial fund, ₱8,583.99; special school fund, ₱7,331.02; Congressional relief fund, ₱546.23; total, ₱16,461.24. Refunds of various expenditures, ₱13,727.35. Revenues collected: Provincial, ₱68,015.33; municipal, ₱118,658.09. Refunds of forestry and internal-revenue collections: Provincial, ₱20,437.14; municipal, ₱26,571.47. Loans to provinces (Act No. 1298), ₱20,000. Provincial expenditures, ₱95,054.39. Cash balance June 30, 1905, provincial fund, ₱38,822.25.

Surigao Province.—Cash balance July 1, 1904: Provincial fund, ₱6,432.57, 956.49 pfs.; Congressional relief fund, ₱106.08; total, ₱6,538.65, 956.49 pfs. Refunds of provincial expenditures, ₱1,482.63, 20 pfs. Revenues collected: Provincial, ₱27,402.22, 4,113.67 pfs.; municipal, ₱29,997.75, 5,158.47 pfs. Refunds

of forestry and internal-revenue collections: Provincial, ₱15,318.10; municipal, ₱17,744.64. Provincial expenditures, ₱30,108.10. Cash balance June 30, 1905: Provincial fund, ₱19,866.87, 1,847.35 pfs.; Congressional relief fund, ₱114.84; total, ₱19,981.71, 1,847.35 pfs.

Tarlac Province.—Cash balance July 1, 1904: Provincial fund, ₱34,443.42. Refunds of provincial expenditures, ₱1,476.44. Revenues collected: Provincial, ₱47,516.08, 548.74 pfs.; municipal, ₱84,897.30, 2,115.68 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱4,898.12; municipal, ₱9,074.04. Provincial expenditures, ₱69,367.24. Cash balance June 30, 1905: Provincial fund, ₱19,182.38; Congressional relief fund, ₱282; total, ₱19,464.38.

Tayabas Province.—Cash balance July 1, 1904: Provincial fund, ₱27,986.37, 12,222.75 pfs.; Congressional relief fund, ₱39.68; total, ₱28,026.05, 12,222.75 pfs. Refunds of various expenditures, ₱11,627.78, 7.48 pfs. Revenues collected: Provincial, ₱163,896.04, 5,084.88 pfs.; municipal, ₱214,331.79, 7,508.96 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱36,295.07; municipal, ₱41,352.91. Provincial expenditures, ₱167,842.52. Loans repaid, ₱3,000. Cash balance June 30, 1905: Provincial fund, ₱71,012.80, 9,222.69 pfs.; Congressional relief fund, ₱6,680.92; total, ₱77,693.72, 9,222.69 pfs.

Zambales Province.—Cash balance July 1, 1904: Provincial fund, ₱8,602.96, 11.50 pfs.; Congressional relief fund, ₱13.20; total, ₱8,616.16, 11.50 pfs. Refunds of various expenditures, ₱1,615.31. Revenues collected: Provincial, ₱23,506.17, 841.09 pfs.; municipal, ₱31,636.04, 234.09 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱14,555.82; municipal, ₱8,924.21. Appropriations to province, ₱1,212. Provincial expenditures, ₱38,609.20, 691.54 pfs. Cash balance June 30, 1905: Provincial funds, ₱2,935.28; Congressional relief fund, ₱4,728.49; total, ₱7,663.77.

Moro Province.—Cash balance July 1, 1904: Provincial fund, ₱156,603.76, 108.30 pfs.; Congressional relief fund, ₱302,759.78, 445.58 pfs.; total, ₱459,363.54, 553.88 pfs. Refunds of various expenditures, ₱2,186.99, 123.15 pfs. Revenues collected: Provincial, ₱352,594.64, 6,094.02 pfs.; municipal, ₱84,649.81, 1,102.96 pfs. Refunds of forestry and internal-revenue collections: Provincial, ₱127,835.12; municipal, ₱1,055.83. Appropriations for province, ₱6,612. Provincial expenditures, ₱553,325.64. Cash balance June 30, 1905: Provincial fund, ₱200,252.72, 761.33 pfs.; Congressional relief fund, ₱218,598.53; total, ₱418,851.25, 761.33 pfs.

NOTE.—The item "Revenue collected, provincial," in the above statement includes customs revenue to the amount of ₱263,083.60, of which amount ₱206.40 is refundable revenue. The expenditures of the customs service in Moro Province for the fiscal year ending June 30, 1905, amounting to ₱55,152.70 (exclusive of I. P. A. supplies and refundable funds) were advanced by the insular government and are refundable by Moro Province.

The balance in the provincial treasuries, as above stated, includes provincial funds only. Municipal funds not deposited with provincial treasurers and amounts due to municipalities are not taken into consideration. Nor is it feasible to state the expenditure of municipalities any further than to say that they cover substantially all revenues collected by the several provincial treasurers as contained in the foregoing statement, together with the minor municipal income from licenses and other small taxes. The funds of the municipalities have substantially all been spent, but the auditor does not deal with the accounts of municipalities, and hence complete reports can not be stated in that respect.

During the fiscal year 1903 the total revenues of the provinces and municipalities, stated in money of the United States, old local currency being reduced to United States money at the rate of 2.20, amounted to \$2,715,105.53; in 1904, to \$3,243,956.40, and in 1905, to \$3,064,552.86. During the fiscal year 1904 there were likewise returned to the provinces and municipalities from the forestry refund \$141,138.76. During the fiscal year 1905 the provinces and municipalities received from the refunds of forestry and internal-revenue taxes \$1,052,074.70.

The effect of the internal-revenue law has been to diminish the

amount of taxes collected in the provinces and municipalities for their own immediate use, but largely to increase the sum returned to them as refunds from the insular treasury. The data, however, are not yet sufficient to determine the exact effect of the internal-revenue law upon the finances of the provinces and municipalities, because a material portion of that law was not in effect until January 1, 1905, and none of it until August 1, 1904. It will require further demonstration to indicate whether the provinces and municipalities have, on the whole, lost or gained by the establishment of the new system. During the year \$97,280.03 have been appropriated from insular funds for the provinces; \$90,000 have been loaned to provinces, and \$3,500 of loans to provinces have been repaid. The cash balances in the provincial treasuries on June 30, 1905, were \$707,324.29, and Congressional relief fund, \$162,721.40.

Respectfully submitted.

HENRY C. IDE,
Secretary of Finance and Justice.

To the PHILIPPINE COMMISSION,
Manila, P. I.



EXHIBIT No. 1.

REPORT OF THE ATTORNEY-GENERAL.

OFFICE OF THE ATTORNEY-GENERAL FOR THE PHILIPPINE ISLANDS,
BUREAU OF JUSTICE,
Manila, October 12, 1905.

SIR: This report covers the work of the courts of the Philippine Islands from September 1, 1904, to August 31, 1905.

I.—SUPREME COURT.

The following statistics furnished by the clerk of the supreme court show the work of that tribunal during the year, and the condition of the docket on August 31, 1905:

Number of cases pending September 1, 1904:	
Civil	216
Criminal	544
Number of cases filed during year ending August 31, 1905:	
Civil	257
Criminal	470
Number of cases decided during said year in which opinions have been filed:	
Civil	32
Criminal	353
Number of cases otherwise disposed of:	
Civil	32
Criminal	139
Number of cases pending September 1, 1905:	
Civil	408
Criminal	522
Number of applicants for admission to the bar:	
Americans	7
Filipinos	77
Number who passed the bar examination:	
Americans	7
Filipinos	46

Fees received during said year, in Philippine currency, ₱9,416.29½

This report shows that there are now on the docket 408 civil cases as against 216 one year ago, and 522 criminal cases as against 544 of one year ago. The criminal business has been reduced by 22, while the civil business has increased by 192 cases.

II.—COURTS OF FIRST INSTANCE.

The following table contains the record of the courts of first instance throughout the archipelago, including Manila. This record shows:

	Civil.	Criminal.
Cases on the docket on Sept. 1, 1904	2,840	1,930
Cases filed during the year ending Aug. 31, 1905	3,171	5,378
Cases decided during said year	1,676	3,281
Cases otherwise disposed of during said year	902	2,468
Cases on the docket on Sept. 1, 1905	3,433	1,559

In addition thereto there is a statement showing the amount of money collected by the various courts during the year.

Reports from clerks of court September 1, 1904, to September 1, 1905.

	Civil cases.				Criminal cases.					
	Pending Sept. 1, 1904.	Filed.	Decided.	Dismissed.	Pending Sept. 1, 1905.	Pending Sept. 1, 1904.	Filed.	Decided.	Dismissed.	Pending Sept. 1, 1905.
Manila.....	514	953	412	140	915	158	523	513	78	90
First district:										
Cagayán, Tuguegarao.....	164	30	10	6	178	30	131	68	55	38
Isabela, Ilagan.....	31	45	4	2	70	44	52	25	53	18
Second district:										
Ilocos Norte, Laoag.....	149	133	67	32	183	50	96	74	49	23
Ilocos Sur, Vigan.....	83	73	48	39	69	69	108	59	45	73
Mountain district:										
Benguet, Baguio.....	3	9	6	0	6	6	13	6	8	5
Nueva Viscaya, Bayombong.....	1	0	0	0	1	0	18	12	5	1
Lepanto Bontoc, Cervantes.....	9	5	5	3	6	4	14	11	4	3
Third district:										
Pangasinán, Lingayén.....	157	80	41	5	191	50	226	121	78	77
Unión, San Fernando.....	74	65	25	0	114	20	118	35	29	74
Zambales, Iba.....	31	20	10	9	32	9	32	19	9	13
Fourth district:										
Pampanga, San Fernando.....	61	45	32	25	49	63	117	61	60	59
Tarlac, Tarlac.....	109	45	21	61	72	30	186	42	137	37
Nueva Ecija, San Isidro.....	35	43	10	10	58	146	222	104	168	96
Fifth district:										
Bulacán, Malolos.....	122	66	35	0	153	122	184	114	85	107
Rizal, Pasig.....	52	62	23	16	75	12	110	84	27	11
Sixth district:										
Cavite, Cavite.....	55	61	47	16	53	52	154	104	68	34
Laguna, Santa Cruz.....	46	91	69	11	57	85	347	75	251	106
Bataan, Balanga.....	0	29	7	3	19	0	120	80	52	38
Seventh district:										
Tayabas, Lucena.....	59	48	34	48	25	75	128	73	111	19
Tayabas Boac, Marinduque.....	11	9	0	8	12	2	15	2	12	8
Batangas, Batangas.....	30	28	14	22	22	126	239	185	163	17
Mindoro, Calapan.....	11	8	1	3	15	14	29	14	14	15
Eighth district:										
Ambos Camarines, Nueva Cáceres.....	53	139	86	33	78	11	142	118	7	28
Albay, Albay.....	65	174	99	69	71	82	196	99	119	60
Sorsogón, Sorsogón.....	33	65	32	11	55	41	76	59	40	18
Ninth district: Iloilo, Iloilo.....	226	180	111	83	212	133	282	296	99	20
Tenth district:										
Negros Occidental, Bacolod.....	96	107	66	32	105	124	249	125	127	121
Antique, San José.....	39	35	25	24	25	71	46	52	52	13
Eleventh district:										
Cebu, Cebu.....	150	80	23	55	152	87	198	117	56	112
Negros Oriental, Dumaguete.....	6	16	9	4	9	1	70	51	13	7
Bohol, Tagbilaran.....	5	8	4	4	5	10	19	22	6	1
Twelfth district:										
Leyte, Tacloban.....	145	118	126	13	124	90	175	69	73	123
Samar, Catbalogan.....	27	41	26	27	15	20	267	175	110	2
Thirteenth district:										
Moro Province, District of Lanao, Iligan.....	7	13	3	2	15	4	19	12	7	4
Moro Province, District of Dapitan.....	2	17	9	0	10	0	10	2	3	5
Surigao, Surigao.....	12	37	19	6	24	8	57	39	16	10
Misamis, Cagayán.....	27	45	22	10	40	7	96	63	25	14
Fourteenth district:										
Moro Province, Zamboanga.....	30	39	31	29	9	4	47	35	15	1
Moro Province, District of Joló, Joló.....	4	7	3	2	6	16	32	9	17	22
Moro Province, District of Davao, Davao.....	0	10	5	1	4	0	16	10	3	3
Moro Province, Tawi-Tawi Group, Bongao.....	1	1	1	1	0	4	5	7	1	1
Fifteenth district:										
Cápiiz, Cápiiz.....	65	28	19	5	69	28	102	43	67	20
Rombón, Rombón.....	20	46	28	14	23	1	44	28	14	3
Masbate, Masbate.....	10	9	6	7	6	3	37	9	21	10
Palawan, Cuyo.....	3	7	0	9	1	11	10	6	14	2
Palawan, Puerto Princesa.....	2	2	2	2	0	7	2	5	2	2
Total.....	2,840	3,171	1,676	902	3,433	1,930	5,378	3,281	2,468	1,559

Report from clerks of court September 1, 1904, to September 1, 1905—Continued.

CASH RECEIVED.

	Philippine currency.	Mexican currency.
Manila.....	P24,035.95	
First district:		
Cagayan, Tuguegarao.....	926.97	
Isabela, Ilagan.....	531.20	
Second district:		
Ilocos Norte, Laoag.....	4,198.19	
Ilocos Sur, Vigan.....	6,791.66	
Mountain district:		
Benguet, Baguio.....	288.00	
Nueva Viscaya, Bayombong.....	247.79	
Lepanto Bontoc, Cervantes.....	824.00	
Third district:		
Pangasinan, Lingayen.....	4,390.00	
Union, San Fernando.....	1,120.56	
Zambales, Iba.....	936.75	
Fourth district:		
Pampanga, San Fernando.....	2,938.71	\$90.66
Tarlac, Tarlac.....	2,365.32	
Nueva Ecija, San Isidro.....	942.29	
Fifth district:		
Bulacan, Malolos.....	2,601.21	31.90
Rizal, Pasig.....	4,707.76	
Sixth district:		
Cavite, Cavite.....	2,073.70	3.00
Laguna, Santa Cruz.....	2,432.50	
Bataan, Balanga.....	1,544.00	
Seventh district:		
Tayabas, Lucena.....	1,312.45	
Tayabas Boac, Marinduque.....	287.62	
Batangas, Batangas.....	1,675.44	
Mindoro, Calapan.....	3,998.00	
Eighth district:		
Ambos Camarines, Nueva Caceres.....	895.34	
Albay, Albay.....	5,957.84	
Sorsogon, Sorsogon.....	4,276.41	
Ninth district: Iloilo, Iloilo.....	4,315.40	
Tenth district:		
Negros Occidental, Bacolod.....	2,402.94	
Antique, San Jose.....	1,002.05	
Eleventh district:		
Cebu, Cebu.....	13,389.57	
Negros Oriental, Dumaguete.....	1,723.00	
Bohol, Tagbilaran.....	288.50	
Twelfth district:		
Leyte, Tacloban.....	1,669.70	
Samar, Catbalogan.....	783.61	
Thirteenth district:		
Moro Province, District of Lanao, Iligan.....	333.60	
Moro Province, District of Dapitan.....	208.00	
Surigao, Surigao.....	742.30	
Misamis, Cagayan.....	1,534.68	
Fourteenth district:		
Moro Province, Zamboanga.....	593.79	
Moro Province, District of Jolo, Jolo.....	967.00	
Moro Province, District of Davao, Davao.....	1,147.23	
Moro Province, Tawi-Tawi Group, Bongao.....	332.00	
Fifteenth district:		
Capi, Capi.....	842.00	
Romblon, Romblon.....	510.78	
Masbate, Masbate.....	405.70	
Palawan, Cuyo.....	452.30	
Palawan, Puerto Princesa.....	32.70	
Total.....	115,942.40	125.56

The amount of money collected by the various courts of first instance during the twelve months included in this report was P115,942.40, and Mexican currency, 125.56 pesos. This includes fines, costs, and fees.

The foregoing table is based upon the written reports submitted by the clerks of the courts of first instance throughout the islands. The figures have been verified three times and are as accurate as it is possible to make them under present conditions. This statement also shows a condition similar to that which exists in the supreme court, namely, that the courts have made distinct gains in the criminal cases and lost in the civil cases.

On September 1, 1904, there were 2,840 civil cases pending, and at the end of the year there were 3,433, showing an increase of 593; the criminal docket shows that on September 1, 1904, there were 1,930 cases pending, and on September 1, 1905, there were 1,559 cases, a decrease of 371 cases for the twelve months.

III.—COURT OF LAND REGISTRATION.

The following statement, based upon a report to me by the clerk of the court of land registration, shows the following:

Number of cases filed from organization of court to August 31, 1904.....	977
Number of cases filed from September 1, 1904, to August 31, 1905.....	676
Total number of cases filed up to August 31, 1905.....	1, 653
Cases decided from—	
February 4, 1903, to August 31, 1903.....	63
September 1, 1903, to August 31, 1904.....	236
September 1, 1904, to August 31, 1905.....	526
	<hr/>
	825
Number of cases pending August 31, 1905.....	828
Amount of fees collected during said twelve months, ₱31,400.10.	

IV.—COURT OF CUSTOMS APPEALS.

The following report shows the business transacted by the court of customs appeals during the year covering this report:

Number of cases filed.....	61
Appeals.....	27
Criminal cases.....	6
Condemnation proceedings.....	28
	<hr/>
Number of cases withdrawn.....	12
Number of cases dismissed by court as defective.....	6
Number of cases dismissed on motion of defendant.....	1
Number of cases decided.....	101
Number of cases pending September 1, 1905 (of the total number of cases filed during the above period).....	11

V.—BUREAU OF JUSTICE.

I have but few comments to make on the work of this bureau during the past year. In my report of last year I recommended that the offices of supervisor of fiscals and assistant supervisor of fiscals be abolished, and that the number and salaries of the assistant attorneys of the office be also changed, so that the office would consist of an attorney-general, a solicitor-general, assistant attorney-general, and eleven assistant attorneys. It was recommended that these assistant attorneys be paid salaries not exceeding \$3,000 per annum. A law adopting these recommendations was passed by the Commission on April 1 of this year. This law has already yielded beneficial results.

The flexible plan thus inaugurated has many advantages. It enables the Commission to employ lawyers at salaries ranging from \$3,000 per year down. Under this plan, young men can be given places in the service at low salaries, and after they become valuable they may be promoted to good salaries without disturbing the rest of the office. Under the former plan, promotions could not be made except as vacancies occurred; and it frequently happened when vacancies occurred, that the next person in line did not deserve promotion. Under such circumstances, when a new man was employed it had the effect of disturbing and discouraging all of those who were receiving a smaller salary. Under the present scheme, promotions depend solely upon the character of the work of each individual. As before stated, the present system has yielded only good results.

The present office force is efficient, harmonious, and in every way satisfactory; a spirit of loyalty and enthusiasm permeates the whole bureau, and whatever success the bureau may have achieved is due largely to the foregoing facts.

There have been ready for some time manuscript for the second volume of the opinions of the attorney-general and solicitor-general. It is needless to discuss the necessity for the publication of these opinions in book form; the need that existed

when the law was passed and the first volume issued now exists. The publication and distribution of the first volume has eliminated inquiries on all subjects covered by the opinions contained therein. This is not true of the opinions rendered during the last two years, only a portion of which have been published in the Official Gazette. The Official Gazette is of temporary assistance only, and in no manner takes the place of the regular publication in book form. In the first place the syllabi are not well prepared, and it is without index. Furthermore, the officials are careless in the preservation of this publication, and when opinions are wanted for reference the Gazettes containing them are frequently not available. It is, therefore, earnestly urged that there be included in the appropriation bill for this year a sum sufficient to cover the publication of the second volume of the opinions of this office.

Pursuant to directions given by the governor-general and yourself, when you were leaving Manila for Baguio this year, the work of amplifying the proposed new Code of Criminal Procedure, which had been begun by certain members of the judiciary, has been carried to completion. The result of our labors in the form of this proposed Code of Criminal Procedure is transmitted herewith. I have also placed a copy of this code in the hands of the governor-general and each of the American Commissioners.

It will be found upon examination that this code is an amplification of General Order 58, and is based upon the criminal codes of New York, Texas, Ohio, Tennessee, and California. After completing the first draft the work was submitted to several members of the Manila bar, who were sufficiently interested to examine and criticise it. The persons to whom copies were sent made a large number of valuable suggestions, most of which have been incorporated in the proposed code. The original comments and suggestions of said lawyers are forwarded herewith.

Some months ago you requested that I submit to you any suggestions that I might have on the subject of reforming the present justice of the peace system. In compliance therewith, I hereby place in your hands my ideas on the subject, which have been reduced to the form of a proposed law. These ideas have been gathered from the opinions of the judges of the courts of first instance, provincial governors, fiscals, and other officials throughout the Archipelago. Special attention has been given to the subject by Judge Chas. S. Lobingier, of the twelfth judicial district, who submitted his views in the form of a proposed law for the reorganization of the justice of the peace system. Many of these views are included in the draft forwarded herewith. In fact, the main features of the law were suggested by the present Secretary of War, Hon. Wm. H. Taft, while he was governor of these islands. In his report for 1903, after pointing out the defects of the present system, he said:

"There are several remedies recommended, but in my judgment the best one is that of dividing the province into comparatively large districts, and appointing a justice of the peace for each district with a living salary. This will dignify the office, will secure the best man in the district and will give a much better character to the administration of justice in what ought to be the people's court."

The Secretary of War reiterated this view in his recent speech at the Metropole Hotel, on August 11, 1905, as follows:

"Another reform that ought to be instituted, in my judgment, is the abolition of the present system of justices of the peace and a provision of law by which in each province there shall be a much smaller number of justices of the peace than now and by which they shall be paid a certain annual stipend which will certainly make the office more desirable and secure more desirable incumbents. The justices of the peace are the judges for the common people and the attractions of the office ought to be increased so as to secure men worthy to exercise this important function."

The salient features of the proposed justice of the peace law, transmitted herewith, are:

First. That the justices of the peace are to be placed under the supervision and control of the courts of first instance.

Second. That the provinces are to be divided into justice of the peace districts.

Third. That the justices are to be paid salaries instead of fees.

Fourth. That the municipal secretaries are to be ex officio clerks of the court.

Fifth. That the judicial functions of the municipal presidents are to be taken from them and vested in the justices of the peace.

It will also be observed that we have reduced the amount over which the justices of the peace have jurisdiction from 600 to 400 pesos.

It should be stated in this connection that the present draft of the justice of the peace law was made after consultation with several of the members of the supreme court and other judges and members of the Manila bar.

All the recommendations which I desire to make in regard to the work of this bureau or the judiciary are contained in the proposed laws above mentioned.

I wish to call your attention to the fact that there is still one vacancy in this office which should be filled. Under the reorganization act of April 1, 1905, this bureau was given one additional man. That position has not been filled. I wish also to say that while the office force has been increased in numbers, the actual running expenses have been materially reduced.

In conclusion, attention is invited to the following statistics of the work of this bureau for the year ending August 31, 1905:

Written opinions rendered by the attorney-general to the chief executive, heads of the four departments, chiefs of bureaus and other officials	356
Cases in the supreme court in which this office presented brief and argument.	290
Cases in the supreme court in which this office appeared by motion, etc.	53
Cases in the court of land registration in which this office appeared and opposed registration	216
Cases in the court of land registration examined by this office but no opposition presented	224
Petitions for pardons passed upon	829
Permanent appointments of employees in the bureau of justice	83
Temporary appointments of employees in the bureau of justice	7
Official communications written or receiving the attention of the office and disposed of, other than opinions, cases, pardons, and appointments	3, 070
Requisitions made on the bureau of public printing for printing and binding ..	398
Requisitions made on the insular purchasing agent for supplies	67

Very respectfully,

L. R. WILFLEY, *Attorney-General.*

HON. HENRY C. LDE,
Secretary of Finance and Justice.

EXHIBIT No. 2.

REPORT OF THE SUPERINTENDENT INSULAR COLD STORAGE AND ICE PLANT.

THE INSULAR COLD STORAGE AND ICE PLANT,
Manila, P. I., August 15, 1905.

SIR: I have the honor to submit the following report covering the operation of the insular cold-storage and ice plant for the period from July 1, 1904, to June 30, 1905.

The gross revenues for the twelve months were ₱706,356.37 and expenditures ₱308,385.11, including coal to the value of ₱20,616.75, which was consumed but for which payment has not yet been made. The net earnings were therefore ₱397,971.26, making it the most profitable year that the plant has yet experienced. As compared with the fiscal year preceding, there is a gain of ₱182,222.65, due to an increase of ₱103,407.56 in the gross revenues and to a reduction of ₱78,815.09 in the cost of operation.

SOURCES OF REVENUE.

Cold storage.—The contract with the chief quartermaster of the Philippines for cold-storage space to be used by the Subsistence Department of the United States Army, in effect during the fiscal year of 1904, was renewed unchanged for 1905. Under the terms of the contract, the Army leased six large and three small rooms with a total storage capacity of 299,119 cubic feet at a monthly rate of 7 centavos Philippines currency per cubic foot. Room No. 5, containing 42,418 cubic feet, which was subdivided and fitted up as a sales and issue room in May, 1904, and occupied for a few weeks of that fiscal year, was rented during all of 1905 at a rate ₱2,500 per month. The total revenues for space rented to the Army were therefore correspondingly increased.

The United States Navy did not renew its contract for room 11, having effected arrangements with the Army to obtain meats and supplies from that source. This represented a loss of ₱598.74 per month.

Heretofore the revenue from cold-storage space rented to private firms and individuals has been unimportant. In the preceding fiscal year the total was only ₱839.76. No efforts were made to secure this patronage because of the disinclination of the government to engage in competition with a local industry. At the beginning of the fiscal year, however, the local refrigerating plant, having practically a monopoly of the retail meat business, advanced prices excessively high. In view of these conditions and for the public benefit it was deemed that the plant was justified in engaging in competition to the extent of leasing storage space at a reasonable rate to anyone desiring it. As a result, the revenues from this source reached a total for the year of ₱36,925.83, representing a gain of ₱36,086.07. The extent to which the public has benefited is evidenced by the fact that the retail prices of to-day average about three-fifths of those prevailing a year ago.

The total revenues from cold storage were ₱319,887.78, as compared with ₱266,391.84 for the preceding year.

Sales of ice.—These sales were increased ₱40,486.52. While the sales to the Army, Navy, and marines, and to coupon customers remained practically unchanged, the following increases were shown: From deliveries to the bureaus of the insular government, ₱3,469.24; from deliveries to customers entitled to the special rate by reason of connection with government service, ₱13,883.69, and from cash sales at the plant, ₱23,166.22. The last item represents a gain of 47 per cent and is encouraging in that the majority of the sales are made to the public at a rate in excess of that charged by the private ice factory here. It shows that, notwithstanding the difference in price, the product of this plant is preferred by a large number of patrons and that the ice-using habit is undoubtedly growing upon the native population.

Distilled water and miscellaneous.—The revenues from both of these sources were greater than for 1904. The former shows a gain of ₱4,847.97 and the later ₱4,577.13.

EXPENDITURES.

Salaries and wages.—By a reduction in the force of employees and by the substitution in a number of positions of Filipinos for the higher priced Americans, the cost

of labor was reduced from the total for 1904 by ₱25,428.31. The substitutions that were made and the respective salaries paid are as follows:

[In United States currency.]

Positions.	Salaries per annum.	
	Americana.	Natives.
Electrician	\$1,600	\$900
Assistant engineer	1,200	1,200
Machinist	1,200	600
Do.	1,200	600
Other	840	240
Do.	780	240
Do.	780	240
Water tender	720	240
Issue clerk	780	800

The native skilled labor employed in the above positions has exceeded our expectations. It is no exaggeration to state that the work has been fully as well performed, while its cost has been considerably less. The unskilled laborers also have proven satisfactory. They readily grasp what they are taught, and make good firemen, oilers, and handy men around the engine room. At one time their irregular attendance was the source of considerable inconvenience, but this has long since been obviated. The employees can now be depended upon to be present every day in the year.

Coal.—Exclusive of labor, coal is by far our greatest item of expenditure. For this reason, our efforts have been specially directed to securing the greatest degree of efficiency from the coal consumed in order to reduce its yearly cost. As a result of these efforts, the plant, notwithstanding the increased demand upon it by reason of the greater amount of space refrigerated and ice manufactured, was operated with 2,836 tons less than during the year preceding. This reduction in the consumption, together with a contract price lower by 11 centavos a ton, effected a saving of ₱39,421.69.

The following table shows the consumption by months:

	Tons.		Tons.
July	618½	April	584½
August	584½	May	578½
September	549½	June	565½
October	589½		
November	587½	Consumed	6,814½
December	582½	Loss	37
January	604½		
February	494	Total	6,851½
March	495½		

A series of experiments were made during March, April, and May with the various grades of coal to be obtained in the local market to determine their relative efficiency. No tests of this nature had before been attempted, consequently we had no data available as to whether the Tagawa lump coal supplied us by the insular purchasing agent under contract was for a fact the most economical that could be obtained. For the purpose of comparison, however, this coal was accepted as the standard, and, in order that the conditions under which the tests were made might be as nearly similar as possible, it was burned on alternate days with the other coals—during March with the Cardiff, during April with the Wallsend, and during May with the West Wallsend. The coal first named is imported from Wales and the latter two from Australia. The results of the tests were as follows:

Month.	Coal.	Average daily consumption.	Cost per ton.	Total cost per diem.
		Tons. lbs.		
March	Tagawa lump	16 686	₱12.98	₱211.66
	Cardiff	18 1,610	15.84	217.30
April	Tagawa lump	18 1,280	12.98	241.06
	Wallsend	18 524	12.87	234.67
May	Tagawa lump	18 1,148	12.98	240.29
	West Wallsend	18 1,839	13.75	258.78

The following table, prepared from the above data, shows their relative values:

Coal.	Cost.	Calorific power.	Efficiency.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
West Wallsend	105.93	98.36	92.9
Cardiff	122.08	118.86	97.4
Tagawa lump	100.00	100.00	100.0
Wallsend	99.15	101.85	102.7

REMARKS.

During the year the roof of the building was repainted by the bureau of architecture and is now watertight. Of the transportation equipment, all of the wagons, two of the lorchas, and the launch have been overhauled and put in good condition. Another lorchas is in the slipway undergoing repairs and will shortly be completed.

The slipway referred to was built in October of 1904 at a total cost of ₱581. All repairs to the lorchas since then have been made at the plant, and as a result nearly four times the original cost of the slipway has already been saved.

Authority was granted by resolution of the Philippine Commission, dated March 15, 1905, to transfer the surplus wagons and horses to Bilibid prison and to the city of Manila. Arrangements had been effected by which the latter was prepared to furnish transportation whenever needed at a reasonable rate, thus rendering it unnecessary to maintain an equipment at this plant in excess of its ordinary requirements.

Attached hereto are the following exhibits:

EXHIBIT A.—Copies of the two contracts with the Subsistence Department, United States Army, for cold-storage space.

EXHIBIT B.—Copy of the contract with the Subsistence Department, United States Army, for ice.

EXHIBIT C.—Tabulated statements of the earnings, expenditures, collections, and ice sales for the fiscal year.

EXHIBIT D.—Statement of the earnings and expenditures of the Insular Cold Storage and Ice Plant by fiscal years.

In conclusion, the writer desires to express his appreciation of the very valuable assistance rendered by Mr. J. J. O'Donovan, the chief engineer. Mr. O'Donovan was appointed as assistant engineer May 1, 1902, and promoted to his present position on July 1, 1904. During the year that he has been in charge of his department it has been operated at far less cost than before and has at the same time been maintained in a high state of efficiency. The plant is fortunate in having secured the services of so capable a man.

Very respectfully,

J. F. EDMISTON,
Superintendent.

The SECRETARY OF FINANCE AND JUSTICE,
Manila, P. I.

EXHIBIT A.

ARTICLES OF AGREEMENT FOR FURNISHING COLD-STORAGE SPACE TO SUBSISTENCE DEPARTMENT, UNITED STATES ARMY, BY THE INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS.

This agreement entered into at Manila, P. I., this first day of July, nineteen hundred and four, between Jno. L. Clem, colonel and assistant quartermaster-general, United States Army, of the first part, and the insular government of the Philippine Islands, of Manila, P. I., of the second part; witnesseth,

That the said Jno. L. Clem, colonel and assistant quartermaster-general, United States Army, for and in behalf of the United States of America, and the said insular government of the Philippine Islands, covenant and agree to and with each other as follows:

I. That the said insular government of the Philippine Islands shall, and by these presents does hereby, demise, let, rent, and lease to the United States of America the rooms numbered 1 A, 1 B, 1 C, 2, 3, 4, 6, 7, and 8 in the Insular Cold Storage and Ice Plant, Manila, P. I., two hundred and ninety-nine thousand, one hundred and nineteen cubic feet, to be used by the Subsistence Department, United States

Army, for the storage of fresh meats and subsistence supplies, to have and to hold the same from the first day of July, nineteen hundred and four, to the thirtieth day of June, nineteen hundred and five, inclusive.

II. That the said insular government of the Philippine Islands agrees to maintain at all times in each of the rooms aforesaid such temperature as is required by the Subsistence Department, not less than eighteen degrees Fahrenheit, and to keep at all times in serviceable condition the loading and unloading devices, carrying rails, elevators, and scales appertaining to said plant, and to furnished the use as well as the necessary mechanics to operate the same free of charge, whenever the devices can be used to facilitate and expedite the movement of stores in and out of cold storage.

III. That the insular government of the Philippine Islands shall furnish the insulated lighters and steam tug of the said Insular Cold Storage and Ice Plant to receive ex ship, Manila Bay, all fresh beef and mutton to be kept in cold storage for the Subsistence Department, but the said insular government shall not be required to furnish the labor, checkers, etc., necessary to bring the same to the scales or elevator at the outer doors of the cold-storage side of the plant, or to move the same from one room to another whenever necessary for the convenience of the Subsistence Department.

IV. That the insulated lighters and steam tug of the Insular Cold Storage and Ice Plant shall be used to deliver fresh meat to transports in the harbor of Manila and to the Subsistence Department on the Pasig River; but the said insular government is not to be required to furnish the checkers and labor required for such services; the Insular Cold Storage and Ice Plant to deliver the fresh beef, mutton, and other stores at the scales or foot of elevator, at the outside door of the cold-storage room; provided, that the Insular Cold Storage and Ice Plant shall not be compelled to furnish its steam tug or insulated lighters for the transportation of beef or mutton to United States transport or other government vessels in the harbor of Manila when the quantity to be transported is less than one (1) ton.

V. The superintendent of the Insular Cold Storage and Ice Plant shall receive from and give receipts to the Subsistence Department for the subsistence stores and fresh meat to be placed in cold-storage when delivered at the scales or foot of elevator at the outer doors of the cold storage side of the plant, and the unit specified shall be the quarter of beef, specifying whether fore or hind quarter, the carcass of mutton, the box, and the crate. The receipt for boxes and crates will state their gross weight and the name of the stores "said to be contained therein."

VI. The Subsistence Department, through its authorized representative stationed at the Insular Cold Storage and Ice Plant, shall receive from and give receipt to the Insular Cold Storage and Ice Plant for all subsistence stores and fresh meat taken out of cold-storage and delivered by the plant at its scales or foot of elevator at outer door of the cold-storage side of the plant.

VII. The management of the cold-storage rooms aforesaid, the regulation of the temperature required by the Subsistence Department, and the operation of all the machinery and plant used for producing cold and for transporting meat and other supplies from the river front to the rooms where they are to be stored, and for returning the same to the river front when needed, shall be under the control and management of the superintendent of the Insular Cold Storage and Ice Plant.

VIII. That in case any beef, mutton, or other stores belonging to the Subsistence Department shall be lost by perils of the sea or marine disaster within the harbor of Manila, while being transported to or from the Insular Cold Storage and Ice Plant, the insular government shall not be liable for any loss or damage so sustained by the subsistence department.

IX. That in case the building belonging to the insular government, in which the cold-storage space hereby leased is contained, should be destroyed by fire, earthquake, or typhoon, or other casualty, or so materially injured by any of said causes that it becomes impracticable for the said insular government to complete this contract, this contract shall thereupon close and be determined without liability for damage on the part of either party; provided, that in the event of an accident to the machinery or appliances, due to any imperfection in said machinery or appliances, or to the carelessness of the employees of the said Insular Cold Storage and Ice Plant, which renders it impossible to maintain the temperature of the cold-storage rooms at a degree of cold low enough to preserve the meat and other stores belonging to the Subsistence Department, the insular government shall provide cold storage elsewhere for said supplies, or pay to the Subsistence Department the money value of such of the said supplies as may be so damaged as to be unserviceable, the amount to be determined by a military board of survey.

X. That the said party of the second part reserves the right to cancel this contract should the said Insular Cold Storage and Ice Plant be sold.

XI. That for and in consideration of the above covenants and agreements the United States shall pay to the said insular government of the Philippine Islands, or its agent, the sum of seven (7) cents per cubic foot per month, Philippine currency.

XII. That payment shall be made at the end of each calendar month, or as soon as practicable thereafter, at the office of the disbursing quartermaster at Manila, P. I., in the funds furnished for the purpose by the United States.

XIII. That neither this lease nor any interest therein shall be transferred to any other party or parties, and in case of such transfer the United States may refuse to carry out this lease either with the transferor or the transferee, but all rights of action for any breach of this lease by said insular government of the Philippine Islands are reserved to the United States.

XIV. That no member of or delegate to Congress, nor any person belonging to, or employed in, the military service of the United States, is, or shall be, admitted to any share or part of this lease, or to any benefit which may arise herefrom. But this stipulation, so far as it relates to members of or delegates to Congress, is not to be construed to extend to this contract.

XV. That this lease shall be subject to approval of the commanding general, Division of the Philippines.

In witness whereof the undersigned have hereunto placed their hands the date first hereinbefore written.

JNO. L. CLEM,
Colonel and Asst. Quartermaster-General, U. S. Army.

Witness:
ROBERT LEE STRAYER.

INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS,
By HENRY C. IDE, *Secretary of Finance and Justice.*

Witness:
JACKSON A. DUE.

HEADQUARTERS PHILIPPINE DIVISION,
Manila, August 12, 1904.

Approved, by command of Major-General Wade:

W. J. GLASGOW,
*Captain, Thirteenth Cavalry, Aid-de-Camp,
Acting Assistant Adjutant-General.*

ARTICLES OF AGREEMENT FOR FURNISHING COLD-STORAGE SPACE TO THE SUBSISTENCE DEPARTMENT, UNITED STATES ARMY, BY THE INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS.

This agreement, entered into at Manila, P. I., this first day of July, nineteen hundred and four, between Jno. L. Clem, colonel and assistant quartermaster-general, United States Army, of the first part, and the insular government of the Philippine Islands of the second part, witnesseth:

That the said Jno. L. Clem, colonel and assistant quartermaster-general, United States Army, for and in behalf of the United States of America and the said insular government of the Philippine Islands, covenant and agree to and with each other as follows:

I. That the said insular government of the Philippine Islands shall, and by these presents does hereby, demise, let, rent, and lease to the United States of America three (3) rooms containing forty-two thousand four hundred and eighteen (42,418) cubic feet, said three rooms being subdivision of the room known as No. 5 in the Insular Cold Storage and Ice Plant at Manila, P. I., to have and to hold the same, with all the hereditaments and improvements thereunto belonging, from the first day of July, nineteen hundred and four, to the thirtieth day of June, nineteen hundred and five.

II. That the said rooms are to be used by the Subsistence Department of the United States Army as a place for the issuing and storage of fresh meat and such other stores as may be required to be kept in cold storage.

III. That the said insular government of the Philippine Islands agrees to maintain in each of the said rooms actually in use such temperature, not lower than eighteen

(18) degrees, Fahrenheit, as the Subsistence Department may require, and to furnish the use of and to keep at all times in serviceable condition the carrying rails appertaining to said rooms.

IV. That in case the building belonging to the said insular government of the Philippine Islands, in which the cold storage space hereby leased is contained, should be destroyed by fire, earthquake, typhoon or other casualty, or so materially injured by any of the said causes that it becomes impracticable for the said insular government of the Philippine Islands to complete this contract, this contract shall thereupon cease and be determined without liability for damage on the part of either party: Provided, That in the event of an accident to the machinery or appliances, due to imperfection of said machinery or appliances, or the carelessness of the employees of the said Insular Cold Storage and Ice Plant, which renders it impossible to maintain the temperature of the said rooms at a degree of cold low enough to preserve the meat and other stores belonging to the Subsistence Department, the insular government of the Philippine Islands shall provide cold storage elsewhere in the city of Manila for said meats and other stores, or pay the Subsistence Department the money value of such of the said meat and other stores as may be so damaged as to be unserviceable, the amount to be determined by a military board of survey.

V. That the said insular government of the Philippine Islands shall have the right to cancel this agreement should the said Insular Cold Storage and Ice Plant be sold.

VI.

VII.

VIII.

IX. That the United States reserves the right to quit, relinquish, and give up the said premises within the period for which this lease is made or may be renewed, by giving to the said insular government of the Philippine Islands or its agent ninety (90) days' notice.

X. That for and in consideration of the above covenants and agreements the United States shall pay to the said insular government of the Philippine Islands or its agent the sum of two thousand five hundred (\$2,500) dollars and no cents per calendar month Philippine currency.

XI. That payment shall be made at the end of each calendar month, or as soon as practicable thereafter, at the office of the disbursing quartermaster at Manila, P. I., in the funds furnished for the purpose by the United States.

XII. That neither this lease nor any interest therein shall be transferred to any other party or parties; and in case of such transfer the United States may refuse to carry out this lease either with the transferor or the transferee, but all rights of action for any breach of this lease by said insular government of the Philippine Islands are reserved to the United States.

XIII. That no Member of or Delegate to Congress, nor any person belonging to, or employed in, the military service of the United States, is, or shall be, admitted to any share or part of this lease, or to any benefit which may arise herefrom. But this stipulation so far as it relates to Members of or Delegates to Congress is not to be construed to extend to this lease.

That this lease shall be subject to approval of the commanding general, Division of the Philippines. Erasure of all of Articles VI, VII, and VIII made before signing.

In witness whereof the undersigned have hereunto placed their hands the date first hereinbefore written.

JNO. L. CLEM,

Colonel and Assistant Quartermaster-General U. S. Army.

Witness:

ROBERT LEE STRAYER.

INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS,

By HENRY C. IDE, *Secretary of Finance and Justice.*

Witness:

JACKSON A. DUE.

HEADQUARTERS PHILIPPINES DIVISION,

Manila, August 12, 1904.

Approved, by command of Major-General Wade.

W. J. GLASGOW,

Captain Thirteenth Cavalry, Aid de Camp,

Acting Assistant Adjutant-General.

EXHIBIT B

ARTICLES OF AGREEMENT FOR FURNISHING ICE TO THE SUBSISTENCE DEPARTMENT, UNITED STATES ARMY, BY THE INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS.

This agreement, entered into at Manila, Philippine Islands, on the first day of May, 1904, between Colonel Henry G. Sharpe, assistant commissary-general, United States Army, for and in behalf of the United States of America, party of the first part, and the insular government of the Philippine Islands, party of the second part, witnesseth:

I. That the said party of the second part agrees to furnish as much ice per day as may be required by the Subsistence Department, United States Army, Philippines Division, not to exceed two-thirds ($\frac{2}{3}$) of the capacity of the Insular Cold Storage and Ice Plant owned and operated by the party of the second part, at Manila, which ice shall be pure and merchantable and made from distilled water, and shall be delivered at the following places: 1st. On the loading platform of the plant; 2d. Launche's side at plant's dock; 3d. At wharf in front of the captain of the port's office; 4th. At ship's side, Manila Harbor; and the said party of the second part shall deliver ice at the places above enumerated without additional cost and at such other places within the city limits of Manila as may be designated by the said party of the first part.

II. That the said party of the first part hereby agrees that for each pound of ice so delivered and received by the party of the first part it will pay fifty cents United States currency per one hundred pounds to the party of the second part, payable monthly at the office of the depot commissary, Manila, Philippine Islands.

III. That no Member of or Delegate to Congress, or any person belonging to or employed in the military service of the United States, is or shall be admitted to any share or part of this contract or to any benefit which may arise therefrom.

IV. That this contract shall be subject to the approval of the commanding general of the Philippines Division, and shall be in force from the first day of July, 1904, to the thirtieth day of June, 1905, inclusive, or such less time as he may direct, or unless the insular government transfers by sale, or otherwise disposes of said plant, then this contract shall terminate on the date such transfer is effected.

In witness whereof the undersigned have hereunto placed their hands on the day first hereon before written, Henry C. Ide, secretary of finance and justice, having been authorized to execute this contract by virtue of a resolution of the United States Philippine Commission, adopted on the fourth day of April, 1904, reading as follows:

"Be it resolved by the United States Philippine Commission that the secretary of finance and justice be hereby authorized to contract with the United States of America for furnishing ice to the United States of America from the Insular Cold Storage and Ice Plant for the period of one year from the first day of July, 1904, to the thirtieth day of June, 1905, inclusive, upon such terms and conditions as shall seem to the said secretary of finance and justice expedient."

HENRY G. SHARPE,

*Col., A. C. G., U. S. Army, for and in
behalf of the United States of America.*

Witness:

W. H. ELDRIDGE.

INSULAR GOVERNMENT OF THE PHILIPPINE ISLANDS,
By HENRY C. IDE, *Secretary of Finance and Justice.*

Witness:

JACKSON A. DUE.

HEADQUARTERS PHILIPPINE DIVISION,
Manila, May 2, 1904.

Approved, by command of Major-General Wade.

W. A. SIMPSON,
*Colonel and Assistant Adjutant-General,
Adjutant-General.*

EXHIBIT C.

Detail of business transacted by the Insular Cold Storage and Ice Plant during the fiscal year ending June 30, 1905.

SALES OF ICE.

Month.	Army, navy, and marines.	Officers and civilians.	Government bureaus.	Cash sales.	Coupons.
1904.					
July	P10,497.63	P6,373.55	P1,598.30	P3,783.50	P4,583.40
August	11,533.58	6,944.55	1,690.55	4,258.69	4,390.00
September	10,263.20	6,786.64	1,635.50	3,865.70	3,930.35
October	11,081.42	6,819.79	1,721.85	5,593.45	4,129.50
November	11,168.22	6,777.38	1,570.20	5,551.85	3,817.10
December	11,810.79	7,099.38	1,716.80	4,585.48	4,137.20
1905.					
January	11,569.61	7,004.67	1,692.00	4,738.50	3,400.40
February	10,723.42	6,072.05	1,557.55	4,159.30	3,354.35
March	11,817.35	6,951.26	1,818.15	6,776.05	4,166.60
April	10,482.81	7,551.38	1,651.90	10,551.60	4,500.00
May	13,406.74	8,592.08	1,894.70	10,831.00	4,919.00
June	14,201.14	8,414.25	1,847.20	7,558.05	4,818.20
Total	138,561.91	85,891.98	20,549.50	72,498.17	50,146.10

COLD STORAGE—WATER—MISCELLANEOUS.

Month.	Subsistence department, United States Army.	Sundry persons.	Water.	Electricity.	Other sources.	Total.
1904.						
July	P25,140.32	P222.78	P869.72	P451.39	P19.89	P58,545.48
August	23,438.33	145.86	879.08	527.96	387.02	54,160.42
September	23,438.33	955.53	956.84	588.88	.....	52,870.97
October	23,438.33	2,341.44	976.08	564.79	.....	56,666.65
November	23,438.33	3,239.63	926.40	591.60	5.00	57,085.71
December	23,438.33	2,799.34	896.56	550.99	5.00	57,289.87
1905.						
January	23,438.33	4,740.23	1,176.84	564.00	3.00	58,327.58
February	23,438.33	3,910.90	987.96	468.65	4.50	54,633.01
March	23,438.33	3,661.08	1,324.76	530.16	24.80	60,508.54
April	23,438.33	4,390.76	1,068.40	475.46	10.00	64,340.64
May	23,438.33	6,675.23	1,265.77	511.18	19.00	71,542.98
June	23,438.33	3,843.05	1,220.88	514.92	33.50	65,889.52
Total	282,961.95	36,925.83	12,519.29	6,289.98	511.71	706,356.37

Statement of expenditures for the fiscal year ending June 30, 1905.

	1904.					
	July.	August.	September.	October.	November.	December.
Salaries and wages	P13,404.10	P13,413.31	P13,433.54	P13,581.29	P13,653.40	P13,650.59
Incidental expenses	199.00	22.00	106.05	46.46	57.97	29.08
Office supplies	21.80	45.12	147.81	25.50	266.09	1.00
Electrical supplies .....	.....	58.00	.....	.....	8.64	.....
Coal .....	.....	.....	.....	21,535.00	.....	6,700.09
Ammonia .....	.....	4,347.00	1,080.45	.....	.....	6,433.75
Forage	836.44	563.11	1,146.11	397.56	1,390.51	.....
Care and maintenance, buildings	12.88	15.96	.....	23.00	189.12	41.76
Care and maintenance, land transportation	72.22	370.45	173.04	201.59	139.69	12.75
Care and maintenance, water transportation	43.66	32.80	381.55	400.80	609.15	51.00
Care and maintenance, machinery	2,049.78	4,827.27	806.70	1,387.74	1,330.64	936.80
Insular purchasing agent's commission	322.77	1,025.96	378.28	2,398.77	398.40	1,317.92
Improvement of plant .....	.....	.....	.....	.....	5,911.86	.....
Total	16,962.65	24,725.98	17,658.53	39,997.71	23,950.47	28,174.74

REPORT OF INSULAR COLD STORAGE AND ICE PLANT. 67

Statement of expenditures for the fiscal year ending June 30, 1905—Continued.

	1905.						Total.
	January.	February.	March.	April.	May.	June.	
Salaries and wages....	18,682.28	14,421.11	13,224.63	13,205.94	12,752.51	12,722.96	161,155.66
Incidental expenses....	64.84	41.57	13.94	8.00	52.37		949.65
Office supplies.....	133.43	41.94	14.01	16.85	29.00	126.06	863.61
Electrical supplies.....							66.64
Coal.....	1,597.06	20,726.06		4,203.68	2,261.72	5,900.00	62,923.60
Ammonia.....				2,420.25			13,281.45
Forage.....	1,676.85	766.15	772.52	823.15	1,006.36	663.60	9,542.36
Care and maintenance, buildings.....	122.39	133.70	50.87	.32	296.86	265.50	1,152.36
Care and maintenance, land transportation.....	481.16	164.37	209.77	31.20	33.26	130.23	2,019.73
Care and maintenance, water transportation.....	121.80	903.16	235.11	.50		28.91	2,508.44
Care and maintenance, machinery.....	1,229.88	439.75	1,189.91	927.08	876.54	232.75	16,234.84
Insular purchasing agent's commission.....	539.55	2,232.53	236.61	791.31	452.91	763.15	10,853.16
Improvement of plant.....							5,911.86
Total.....	19,649.23	39,870.34	15,947.37	21,923.28	17,761.53	21,141.53	237,768.36
1,575 tons of coal consumed but unpaid for.....							20,616.75
Total expenditures.....							308,385.11

Collections during fiscal year ending June 30, 1905, deposited with treasurer of the Philippine Islands.

	Ice.	Water.	Cold storage.	Miscellaneous.	Total.
1904.					
July.....	28,060.61	753.92	24,838.28	262.41	53,960.17
August.....	27,637.67	852.12	23,670.04	391.95	52,551.78
September.....	28,069.63	1,184.00	24,264.88	826.70	54,345.21
October.....	27,889.28	1,212.48	800.18	369.84	30,271.78
November.....	28,462.30	980.68	25,246.92	564.79	55,204.69
December.....	29,304.08	962.40	50,143.83	601.60	81,516.91
1905.					
January.....	28,948.92	924.56	26,195.10	553.99	56,622.57
February.....	27,379.76	1,154.84	23,176.14	570.50	57,281.24
March.....	29,434.63	1,063.96	24,857.93	493.45	55,849.97
April.....	36,201.11	1,451.16	29,591.37	531.66	67,775.30
May.....	35,308.99	1,335.65	27,832.65	433.96	64,966.25
June.....	36,571.95	1,336.52	30,108.26	537.68	68,554.41
Total.....	363,763.98	13,162.29	315,775.53	6,188.53	698,890.28

Ice statement, showing quantity manufactured and sold during fiscal year ending June 30, 1905.

	Total of ice manu- factured.	Ice sold.						
		Army, navy, and marines.	Officers and civil- ians.	Government bureaus.	Coupon custom- ers.	Cash sales at plant.	Miscella- neous.	Total.
1904.								
July.....	Pounds. 2,529,300	Pounds. 1,049,763	Pounds. 620,530	Pounds. 159,830	Pounds. 477,150	Pounds. 268,567	Pounds. 11,550	Pounds. 2,587,390
August.....	2,826,600	1,153,358	669,080	166,035	457,430	292,194	16,950	2,754,997
September.....	2,556,300	1,026,320	644,265	163,550	392,090	270,095	22,266	2,513,586
October.....	2,817,300	1,106,142	641,955	172,185	408,615	355,155	24,796	2,710,948
November.....	2,768,400	1,116,822	637,400	157,020	387,970	362,558	24,325	2,686,190
December.....	2,682,900	1,131,079	671,275	171,680	377,115	314,203	23,056	2,738,407
1905.								
January.....	2,853,600	1,156,961	666,805	169,200	364,555	309,085	19,668	2,636,274
February.....	2,438,700	1,072,943	584,255	155,755	326,275	271,180	12,900	2,423,308
March.....	2,790,000	1,131,735	667,475	181,350	397,090	422,675	15,630	2,865,955
April.....	3,399,300	1,048,231	699,925	185,190	448,765	631,345	28,865	3,042,371
May.....	3,608,600	1,340,674	808,215	188,470	479,585	665,395	29,415	3,511,704
June.....	3,571,200	1,420,114	772,525	184,720	465,335	459,305	42,408	3,344,907
Total.....	34,832,200	13,856,192	8,063,655	2,054,985	4,981,925	4,622,352	271,828	33,870,937

EXHIBIT D.

Statement of the earnings and expenditures of the insular cold storage and ice plant by fiscal years.

Fiscal year 1902:		
Revenues from cold storage	₱383,143.64	
Revenues from sales of ice	243,341.06	
	<hr/>	
Total revenues	626,484.70	
Expenditures	388,384.42	
	<hr/>	
Earnings		₱238,100.28
Fiscal year 1903:		
Revenues from cold storage	365,338.08	
Revenues from sales of ice	289,402.66	
Revenues from other sources	9,647.60	
	<hr/>	
Total revenues	664,388.34	
Expenditures	396,677.66	
	<hr/>	
Earnings		267,710.68
Fiscal year 1904:		
Revenues from cold storage	266,391.84	
Revenues from sales of ice	326,661.09	
Revenues from sales of water	7,671.32	
Revenues from other sources	2,224.56	
	<hr/>	
Total revenues	602,948.81	
Expenditures	387,200.20	
	<hr/>	
Earnings		215,748.61
Fiscal year 1905:		
Revenues from cold storage	319,887.78	
Revenues from sales of ice	367,147.61	
Revenues from sales of water	12,519.29	
Revenues from other sources	6,801.69	
	<hr/>	
Total revenues	706,356.37	
Expenditures	308,385.11	
	<hr/>	
Earnings		397,971.26
Total earnings		1,119,530.83

EXHIBIT No. 3.

SUPPLEMENTAL REPORT OF THE SUPERINTENDENT OF THE COLD STORAGE AND ICE PLANT.

DEPARTMENT OF FINANCE AND JUSTICE,
BUREAU OF INSULAR COLD STORAGE AND ICE PLANT,
Manila, P. I., September 21, 1905.

SIR: I have the honor to submit herewith a supplemental report in the form of a number of tabulated statements showing the business transacted by the Insular Cold Storage and Ice Plant during the months of July and August, 1905.

The gross revenues for the two months were ₱120,001.06, or ₱12,295.16 greater than for the corresponding period of last year. Practically all of this amount is accounted for by the increased sales of ice, the sales at the plant alone representing a gain of ₱9,001.91, or 112 per cent. The revenues from cold-storage space rented to the Subsistence Department of the United States Army showed a reduction by reason of the smaller space occupied by that department under the contract for the current fiscal year, but this loss was nearly made up by the rentals from space leased to sundry persons. The sales of distilled water show the very encouraging growth of 68 per cent, or ₱1,195.08.

Very respectfully,

J. F. EDMISTON,
Superintendent.

The SECRETARY OF FINANCE AND JUSTICE,
Manila, P. I.

TABLE I.—Statement of revenues.

	July.	August.	Total.
From sales of ice to—			
Army, Navy, and Marines.....	₱11,619.37	₱12,794.39	
Officers and civilians.....	7,117.54	7,065.28	
Government bureaus.....	1,846.15	1,865.60	
Cash customers at plant.....	7,645.70	9,393.40	
Coupon customers.....	4,435.20	4,523.30	
			₱68,305.93
From cold-storage space rented:			
Subsistence Department, United States Army.....	19,507.48	19,507.48	
Sundry persons.....	3,840.84	4,553.81	
			47,409.61
From miscellaneous sources:			
Sales of electric current.....	505.49	542.45	
Incidentals.....	31.70	262.00	
			1,341.64
From sales of distilled water.....	1,192.78	1,751.10	2,943.88
Total.....	57,742.25	62,258.81	120,001.06

TABLE II.—Statement of expenditures.

	July.	August.	Total.
Salaries and wages.....	₱12,722.62	₱12,603.47	₱25,326.09
Incidental expenses.....	101.00	187.57	
Office supplies.....		10.36	
Electrical current.....		3.60	
Anhydrous ammonia.....	5,509.85		
Coal.....	6,291.13	6,490.00	
Forage.....		1,355.55	
Care and maintenance, machinery.....	2,184.15	850.85	
Care and maintenance, land transportation.....		160.35	
Care and maintenance, water transportation.....		484.59	
Care and maintenance, buildings and grounds.....	91.02	10.00	
Insular purchasing agent's commission.....	1,416.07	964.11	
			26,099.70
Total.....	28,315.84	23,110.45	51,425.79

TABLE III.—*Excess of revenues over expenditures.*

	July.	August.	Total.
Gross revenues.....	₱57,742.25	₱62,258.81	₱120,001.06
Expenditures.....	28,315.84	23,110.45	51,425.79
Net revenues.....	29,426.91	39,148.36	68,575.27

TABLE IV.—*Net cash receipts, deposited with the insular treasurer.*

	July.	August.	Total.
From sales of ice.....	₱85,076.72	₱32,622.57	₱117,699.29
From cold storage.....	27,309.93	23,381.58	50,691.51
From sales of distilled water.....	978.38	1,337.78	2,316.16
From miscellaneous sources.....	540.92	768.19	1,309.11
Total.....	63,900.95	58,105.12	122,006.07

TABLE V.—*Quantity, expressed in pounds, of ice manufactured and sold.*

	July.	August.	Total.
Ice manufactured.....	3,016,800	3,406,800	6,423,600
Ice sold to—			
Army, Navy, and Marines.....	1,161,937	1,279,439	2,441,376
Officers and civilians.....	684,100	675,340	1,359,440
Government bureaus.....	184,615	186,560	371,175
Coupon customers.....	441,996	447,875	889,870
Cash customers at plant.....	458,165	548,380	1,006,545
Total.....	2,930,812	3,132,594	6,063,406

EXHIBIT No. 4.

SECOND ANNUAL REPORT OF THE CHIEF OF THE DIVISION OF THE CURRENCY.

TREASURY BUREAU, DIVISION OF THE CURRENCY,
Manila, P. I., September 1, 1905.

SIR: In accordance with the requirements of section 11 of act No. 938, United States Philippine Commission, which provides that "the chief of the division of the currency shall be required to make to the insular treasurer an annual report covering the affairs and business of the division in detail," I have the honor to submit the following report for the period from July 1, 1904, to September 1, 1905:

CERTIFICATES OF INDEBTEDNESS.

During the period covered by this report, the third and fourth series of certificates of indebtedness, each amounting to \$3,000,000, have been retired, and a fifth series, amounting to \$1,500,000, has been issued in their place. The indebtedness incurred by the Philippine government for the purpose of providing funds for the introduction of the new currency and the maintenance of the parity has thus been reduced during the calendar year 1905 from \$6,000,000 to \$1,500,000.

The terms and results of the five series of certificates of indebtedness so far issued may be briefly summarized as follows:

Philippine certificates of indebtedness.

Number.	Date of series.	Denomination.	Amount issued.	Rate of interest.	Maturity.	Rate of premium.	Net interest paid.
				<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
I.....	May 1, 1903	\$1,000	\$3,000,000	4	May 1, 1904	2.513	1.487
II.....	Sept. 1, 1903	1,000	3,000,000	4	Sept. 1, 1904	2.24	1.76
III.....	May 1, 1904	1,000	3,000,000	4	May 1, 1905	1.181	2.819
IV.....	Sept. 1, 1904	1,000	3,000,000	4	Sept. 1, 1905	1.41	2.59
V.....	Sept. 1, 1905	1,000	1,500,000	4	Sept. 1, 1906	1.64	2.36

In speaking of the proceeds of the certificates of indebtedness it should be noted that the principal part of the gold-standard fund—a fund constituted largely from the proceeds of the certificates of indebtedness—has been on deposit throughout the year in New York City and has earned interest at the rate of $2\frac{1}{4}$ per cent on average daily balances. The interest being earned, together with the premiums realized, is at present more than sufficient to cover the government's interest obligations on the certificates.

COINAGE OF PHILIPPINE CURRENCY FROM BULLION PURCHASED.

As stated in the last annual report of this office, any statement of the expenses connected with the coinage of the new currency requires that the money coined should be separated into two distinct parts—(1) that coined from bullion purchased, and (2) the recoinage, or that coined from local currency collected in the islands and shipped to the San Francisco mint for recoinage.

The reports from the United States with reference to the expenses connected with the coinage of Philippine currency from bullion purchased have not, at this date, all been received, although the data at hand are sufficiently complete to permit an approximation close enough for practical purposes.

From July 1, 1904, to July 1, 1905, there was purchased 549,374.99 ounces of fine silver, costing, at the average price of \$0.56227 per ounce, the sum of \$308,898.34. As yet no returns have been received from the coinage of this bullion.

More complete returns from the coinage of the silver bullion previously purchased show that the 13,520,895.83 ounces purchased yielded a total of ₱17,339,267.70 in Phil-

ippine silver coins. The mint charges for the coinage of this sum were ₱417,416.12, and the expenses connected with its transportation to the islands, including packing, freight, and insurance, were approximately ₱49,134.32. This gives a gross seigniorage (face value less cost of bullion) of approximately ₱2,593,286.40, a net seigniorage (face value less cost of bullion and mintage expenses) of approximately ₱2,191,373.11,^a and a net seigniorage, less transportation expenses, of approximately ₱2,142,238.79. If to this amount there be added ₱71,825.89, representing the net seigniorage on the later purchases of silver bullion estimated on the basis of former reports, we have a total net seigniorage, less transportation expenses, on silver coins minted from bullion purchased, of ₱2,214,064.68.

Four hundred and ninety-nine thousand nine hundred and sixty-two pesos and ninety centavos (₱499,962.90) in nickel coins had been coined up to July 1, 1905, the cost of the bullion consumed in the making of which was ₱119,293.10, the mintage charges were ₱5,399.60, the expenses connected with transportation ₱3,874.81, giving a gross seigniorage of ₱380,669.80, a net seigniorage of ₱376,082.91,^b and a net seigniorage, less transportation expenses, of ₱372,208.10.

There had been coined up to July 1, 1905, the sum of ₱467,183.87 in copper coins (inclusive of ₱19,200 received July 10, 1905). The cost of bullion consumed was approximately ₱300,279.08, the mintage charges were ₱15,009.95, the transportation expenses were approximately ₱17,949.64, giving a gross seigniorage of approximately ₱166,904.79, a net seigniorage of approximately ₱152,019.45,^c and a net seigniorage, less transportation expenses, of ₱134,069.81.

These figures show a gross seigniorage on all money coined from bullion purchased up to July 1, 1905, of ₱3,227,391.22,^d a net seigniorage of ₱2,791,919.16,^e and a net seigniorage, less transportation expenses, of ₱2,720,342.59.^f

RECOINAGE OF LOCAL CURRENCY.

Up to July 1 of the present year there had been shipped to the San Francisco mint for the purpose of recoinage into Philippine currency the sum of Pfs. 15,713,000 local currency.

The reports so far received concerning the weight and fineness of Pfs. 14,648,000 of the above amount show the following results:

Spanish-Filipino currency shipped for recoinage.

Character of money.	Amount.	Average discrepancy from legal fine-silver content.	Standard ounces produced.	Philippine-currency equivalent at 416 grains, 0.900 fine, to the peso.
		<i>Per cent.</i>	<i>Ounces.</i>	
Peso pieces ^a	Pfs. 3,827,269.00	0.2445	3,088,267.65	₱3,540,581.18
50-cent pieces.....	9,577,000.00	.4189	7,883,862.13	8,520,496.19
20-cent pieces.....	1,088,800.60	1.6999	786,638.88	907,730.07
10-cent pieces.....	201,618.60	3.2053	151,242.23	174,523.69
Miscellaneous.....	8,811.80	1.1828	10,592.81	12,223.53
Total.....	14,648,000.00		11,400,603.70	13,155,554.66

^a A few old Spanish pesos were included among the Spanish-Filipino pesos (Alfonosinos) shipped, and, being heavier than the Alfonsoinos, would make the discrepancy in the weight and fineness of the latter appear slightly less in the table than it actually was.

The amount shipped to the mint, but as yet unreported upon, and that on hand June 30, together amounting to Pfs. 1,124,973.75, would yield upon the basis of the above returns 869,096.21 ounces of standard silver, or an amount sufficient to coin ₱1,002,881.73, making a total realizable from the Pfs. 15,713,000, local currency,

^a Inclusive of ₱15,502.83 additional profit on proof coins.

^b Inclusive of ₱812.71 additional profit on proof coins.

^c Inclusive of ₱124.61 additional profit on proof coins.

^d Inclusive of ₱86,530.23 estimated gross seigniorage on later purchases of silver bullion.

^e Inclusive of ₱72,443.69 estimated net seigniorage on later purchases of silver bullion.

^f Inclusive of ₱71,825.89 estimated net seigniorage, less transportation expenses, on later purchases of silver bullion.

shipped, and that on hand June 30, 1905, of approximately 12,269,699.91 ounces of standard silver, which would yield approximately ₱14,158,446.70.

The cost of the local currency shipped to the mint for recoinage and of that on hand June 30, 1905, has been approximately ₱13,792,707.49, and the expenses connected with the recoinage and the shipment of the money to and from the San Francisco mint, according to the latest reports, have been approximately ₱437,968.90, making the total expenses approximately ₱14,230,676.39. If to the estimated proceeds of the recoinage, ₱14,158,446.70, there be added the estimated profits on Mexican and Chinese currency sold to the banks for the purpose of exportation—that is, ₱16,420—the total proceeds would be ₱14,174,866.70, representing a loss of ₱174,258 on the redemption of Spanish-Filipino silver coins up to July 1, 1905.

In the process of redeeming the local currency there has been purchased at various rates the sum of Pfs. 82,963.61 Spanish-Filipino and foreign copper coins, costing approximately ₱73,257, and 15,448½ pounds of Igorot copper coins, at the rate of 40 centavos per pound, costing ₱6,179.30, giving a total of ₱79,436.30 expended in purchases of copper coins.

None of this copper coin has as yet been disposed of. On the basis of its sale as copper bullion at a net price of, say, 25 centavos per pound, it would yield about ₱33,492. The total cost of the coins was approximately ₱79,436.30. There would therefore, on that basis, be a net loss on the redemption of copper coins of ₱45,944.30. Adding this amount to the ₱174,258, representing the net loss to July 1, 1905, in the purchase of local silver coins, we arrive at an estimated net loss on the purchase of local currency to July 1, 1905, of ₱220,202.30.

The Government's net profit on the coinage of Philippine currency from bullion purchased was estimated at ₱2,720,342.59. If we deduct from this sum the estimated net loss on the recoinage we arrive at a net seigniorage profit of ₱2,500,140.29 on the entire process of coinage and recoinage up to July 1, 1905.

PHILIPPINE CURRENCY RECEIVED.

The new Philippine coins began to arrive in Manila from the Philadelphia and San Francisco mints in June, 1903, and were first placed in circulation the latter part of July of the same year. The total amounts of the various denominations of Philippine coins received to July 1, 1905, and the amounts in circulation upon that date are given in the following table:

Character of money.	Received.	In Treasury vaults.	In circulation.	Number of coins in circulation.
Certificates ^a	₱20,000,000.00	^b ₱9,955,770.00	₱10,044,230.00	.....
Pesos.....	25,227,000.00	^c 12,767,018.00	12,469,982.00	12,469,982.00
50-cent pieces	3,054,000.00	352,000.50	2,701,999.50	5,403,999.00
20-cent pieces	1,594,000.00	210,420.20	1,383,579.80	6,917,889.00
10-cent pieces	1,133,500.00	201,081.10	932,468.90	9,324,689.00
5-cent pieces	499,250.00	227,107.95	272,142.05	5,442,841.00
1-cent pieces	359,100.00	69,675.11	299,424.89	29,942,489.00
½-cent pieces	88,670.00	31,880.14	56,839.86	11,367,972.00
Total.....	51,955,520.00	23,794,858.00	28,160,667.00	80,869,871.00

^a An itemized statement with reference to silver certificates is given in the next table.

^b Including ₱9,550,000 in reserve vault, ₱367,720 in the treasury's general cash, and ₱48,050 mutilated certificates withdrawn from circulation.

^c Inclusive of ₱10,450,000 deposited in reserve vault against an equivalent amount of silver certificates in circulation and in treasury's general cash (inclusive of mutilated certificates).

During the Spanish régime a frequent source of complaint on the part of the public was the inadaptability of the denominations of the country's currency to trade demands, and this was especially true in the case of minor coins, the frequent scarcity of which was often a cause of much inconvenience. The Philippine gold-standard act, in order to guard against the rise of any such difficulty in the case of the new currency, went so far as to provide for the interchangeability of all classes of Philippine coins on demand at the insular treasury and at each of the thirty-nine provincial treasuries in the islands. The present circulation, as to denominations, therefore, probably represents a fairly close adaptation to trade demands. The great number of small coins in circulation is striking evidence of the petty character of a large part of the islands' domestic trade.

SILVER CERTIFICATES.

The amounts of silver certificates in circulation and in the reserve vaults of the treasury at the end of each quarter since October 6, 1903 (the date they were first placed in circulation), and on August 31, 1905, have been as follows:

Date.	₱2 certificates in—		₱5 certificates in—		₱10 certificates in—		Total in—	
	Circulation.	Vaults.	Circulation.	Vaults.	Circulation.	Vaults.	Circulation.	Vaults.
1903-4.								
December.....	₱212,000	₱788,000	₱285,000	₱1,715,000	₱960,400	₱3,089,600	₱1,457,400	₱5,542,600
March.....	490,000	1,510,000	670,000	3,330,000	2,860,600	1,188,400	4,020,600	5,979,400
June.....	850,000	1,390,000	1,050,000	3,560,000	4,100,000	1,100,000	6,000,000	6,040,000
1904-5.								
September.....	980,000	1,350,000	1,180,000	3,470,000	5,070,000	2,980,000	7,230,000	7,800,000
December.....	1,020,000	1,310,000	1,400,000	3,250,000	6,000,000	2,050,000	8,420,000	6,610,000
March.....	1,390,000	940,000	1,700,000	2,950,000	7,060,000	3,940,000	10,150,000	7,890,000
June.....	1,500,000	1,500,000	1,750,000	4,250,000	7,200,000	3,800,000	10,450,000	9,550,000
1905-6.								
August 31.....	1,500,000	1,500,000	1,800,000	4,200,000	7,200,000	3,800,000	10,500,000	9,500,000

Since the last annual report of this office Congress has authorized an increase in the maximum denomination of Philippine silver certificates from ₱10 to ₱500. The issuance of the larger-denomination certificates has been temporarily held in abeyance awaiting the outcome of certain proposed legislation now pending in Congress with reference to the silver-certificate reserve.

GOLD-STANDARD FUND.

The operations of the gold-standard fund during the fiscal year ending June 30, 1905, may be briefly summarized as follows:

Operations of gold-standard fund.

Item.	Fund in Manila.		Fund in New York, United States currency.
	United States currency.	Philippine currency.	
DEBIT.			
Balance June 30, 1904	\$799,527.09	₱3,450,782.48	\$2,106,877.27
New coin received		12,126,000.00	
Currency exchanges	11,285,849.54	11,514,427.95	500,000.00
Transfers with Army and Navy, etc			5,504,383.09
Certificates of indebtedness, fourth series			3,042,300.00
New York exchange	3,000.00	4,467,993.50	
Premiums on New York exchange	37.50	43,702.50	
Sale of local currency		541,215.73	
Interest on gold-standard fund in New York		125,535.44	64,805.09
Proof sets sold			8,673.00
Refund on coinage accounts	40,000.00		60,000.00
Refund on nickel blanks			13,091.45
Redemption of silver certificates in New York	960.50		
Miscellaneous		748.17	6,376.00
Total	12,129,374.63	32,270,405.77	11,306,506.90
CREDIT.			
Currency exchanges	5,757,213.97	23,571,699.09	
Transfers with Army and Navy, etc	5,502,549.73	3,666.72	
Local currency purchased		7,647,762.38	
Igorot copper purchased		6,179.30	
New York exchange			2,236,996.75
Certificates of indebtedness			6,000,000.00
Interest on certificates of indebtedness			240,000.00
Bullion account			525,000.00
Redemption of silver certificates in New York			960.50
Miscellaneous	171.11	18,370.86	
Total	11,259,934.81	31,247,678.35	9,002,967.25
Balance June 30, 1905	869,439.82	1,022,727.42	2,303,548.65
Aggregate	12,129,374.63	32,270,405.77	11,306,506.90

The status of the gold-standard fund at the end of each month during the fiscal year 1904-5 and for the two months following, as shown by the records of the division of the currency, has been as follows:

Status of the gold-standard fund.

Date.	Fund in Manila.		Fund in New York, United States currency.	Total fund (\$1=₱2), Philippine currency.
	United States currency.	Philippine currency.		
1904-5.				
July.....	\$1,019,244.53	₱698,443.74	\$2,008,562.85	₱6,754,068.50
August.....	917,203.09	2,316,194.54	1,782,183.03	7,714,966.78
September.....	1,899,783.43	606,492.87	2,487,770.24	8,781,600.21
October.....	2,379,576.18	1,962,672.59	2,060,639.86	10,843,104.67
November.....	2,408,648.25	1,968,894.95	2,051,548.70	10,879,888.85
December.....	2,322,366.09	973,093.31	2,078,045.08	11,573,915.65
January.....	1,101,128.60	2,084,714.75	1,435,616.08	11,608,204.11
February.....	516,646.23	1,549,417.78	1,407,407.42	12,197,525.08
March.....	497,442.14	1,001,631.43	5,208,045.75	12,402,607.21
April.....	204,378.51	841,751.89	2,019,248.62	5,889,006.15
May.....	1,014,082.26	832,099.95	2,068,752.08	6,997,789.53
June.....	869,439.82	1,022,727.42	2,303,548.65	7,368,704.36
1905-6.				
July.....	908,096.56	755,530.46	2,491,923.05	7,555,567.58
August.....	532,917.45	108,984.39	1,101,991.85	1,373,752.99

The heavy decline in the gold-standard-fund balance in New York for August 31 is largely nominal. The proceeds of the fifth series of certificates of indebtedness were received in New York September 1, while the fourth series was paid off August 31.

The amount of the gold-standard fund under normal conditions should be fairly constant. The large variations in the total amount of the fund during the past two years has been the result of temporary conditions incidental to the withdrawal of the old currency from circulation and the introduction of the new. Now that the greater part of the certificates of indebtedness has been retired and that the recoinage of the old currency has been nearly completed, it may be expected that the fund will in the future remain fairly constant, payments in New York being made only in response to approximately equivalent receipts in Manila, and vice versa.

The wide variations the table shows in the proportions of the fund held in Manila and New York, respectively, have little significance, being largely the result of transfers with the Army and Navy. The Philippine government is fortunate in being able to keep the fund divided between New York and Manila in about such proportions as meet its convenience, by means of transfers with the military and naval authorities.

GOLD-STANDARD-FUND DRAFTS.

From October 10, 1903, the date of the enactment of the Philippine gold standard act, to August 31, 1905, the record of drafts sold on the gold-standard fund is as follows:

Drafts on the gold-standard fund.

[Exchange sold in Manila on the gold-standard fund in New York.]

Date.	Sold to banking institutions.		Sold to commercial firms and individuals.		Total sold.	Premiums realized.
	Telegraphic transfers.	Demand drafts.	Telegraphic transfers.	Demand drafts.		
1903-4.						
October	\$100,000.00	\$400,000.00		\$1,500.00	\$501,500.00	₱8,272.50
November	50,000.00	100,000.00			150,000.00	2,625.00
December	300,000.00	50,000.00	\$27,000.00	18,588.66	396,588.66	8,386.87
January	50,000.00		10,000.00		60,000.00	1,350.00
February						
March	970,000.00		10,000.00	20,110.79	1,000,110.79	22,351.66
April	500,000.00	20,000.00	10,000.00	10,431.52	540,431.52	11,931.48
May	250,000.00	50,000.00	45,000.00	28,627.26	368,627.26	7,741.92
June		220,000.00	50,867.48	51,829.32	322,696.80	6,221.97
Total	2,220,000.00	840,000.00	152,867.48	126,087.55	3,338,955.03	67,880.40

Drafts on the gold-standard fund—Continued.

Date.	Sold to banking institutions.		Sold to commercial firms and individuals.		Total sold.	Premiums realized.
	Telegraphic transfers.	Demand drafts.	Telegraphic transfers.	Demand drafts.		
1904-5.						
July.....		\$60,000.00	\$3,000.00	\$18,419.87	\$81,419.87	P1,243.79
August.....		185,000.00			185,000.00	2,775.00
September.....		140,000.00		26,713.29	166,713.29	2,500.70
October.....		40,000.00	40,000.00	58,076.38	98,076.38	1,771.14
November.....				2,233.25	2,233.25	33.50
December.....				183.62	183.62	2.76
January.....						
February.....				5,000.00	5,000.00	75.00
March.....				8,309.85	8,309.85	124.66
April.....	\$250,000.00		20,000.00	6,417.47	276,417.47	6,171.28
May.....	550,000.00	40,000.00		58,578.14	648,578.14	13,853.69
June.....	500,000.00	236,000.00		29,064.68	785,064.88	15,225.98
Total.....	1,300,000.00	701,000.00	63,000.00	212,996.55	2,286,996.75	43,777.50
1905-6.						
July.....	300,000.00	60,000.00		76,765.79	436,765.79	8,801.48
August.....	400,000.00	200,000.00	200,000.00	60,116.70	860,116.70	17,401.76

The Philippine currency received by the gold-standard fund in payment of the above-mentioned drafts was withdrawn from circulation as provided in section 7 of the Philippine gold-standard act.

On November 2, 1904, the secretary of finance and justice issued an order reducing the premium rates charged in New York for gold-standard drafts on Manila from 1½ per cent on telegraphic transfers to three-fourths of 1 per cent, and from three-fourths of 1 per cent on demand drafts to three-eighths of 1 per cent. The order was issued under the authority given in section 7 of the Philippine gold-standard act, which declares that the premiums charged for exchange on the gold-standard fund "may be temporarily increased or decreased by order issued by the secretary of finance and justice should the conditions at any time existing, in his judgment, require such action." The object of the reduction in the rates was to prevent the settlement of favorable trade balances by the importation of United States paper currency in lieu of remittance by gold-standard-fund drafts, it having been possible theretofore to transfer funds from the United States to Manila more cheaply by the shipment of United States paper currency of large denominations than by the purchase of gold-standard-fund drafts.

No drafts have yet been sold in New York on the gold-standard fund in Manila, although during the latter part of the calendar year 1904, when the banks were making heavy purchases of local currency for exportation, there was a rapid rise in Manila of exchange rates on New York and London, and exchange stood for a short time at very nearly the point at which purchases of drafts in New York on the gold-standard fund in Manila would have been profitable.

The reason why local exchange rates on gold-standard countries have been for most of the time since the American occupation so uniformly low, or "unfavorable" to the islands, is probably to be found in the heavy disbursements continually being made by the military and naval authorities of funds derived from sources outside of the islands themselves. These disbursements, whether the funds are obtained by direct importation of United States currency from the United States, as was formerly the custom, or through transfers from the gold-standard fund in Manila in exchange for money placed to the credit of that fund in New York, represent a continual influx of currency into the islands' circulation, which takes place regardless of trade requirements, which tends to keep exchange low, and for which the only outlet is to be found in the purchase of gold-standard-fund drafts, unless it is absorbed by an ever-increasing trade demand.

PHILIPPINE CURRENCY AND UNITED STATES CURRENCY EXCHANGES.

The following exchanges of Philippine currency and United States currency have been made by the insular treasurer, pursuant to section 7 of the Philippine gold standard act, since October 10, 1903, the date of the passage of that act:

Currency exchanges.

Quarter ending—	Sold.		Bought.	
	United States currency.	Philippine currency.	United States currency.	Philippine currency.
1903-4.				
December 31	\$484,231.38	₱1,242,076.36	\$621,038.18	₱968,462.76
March 31	811,506.70	2,761,591.66	1,380,795.83	1,623,013.40
June 30	749,283.46	3,304,755.56	1,652,377.78	1,498,566.92
Total	2,045,021.54	7,308,423.58	3,654,211.79	4,090,043.08
1904-5.				
September 30	847,482.07	4,815,476.82	2,407,738.41	1,694,964.14
December 31	1,438,252.89	5,721,983.32	2,860,991.66	2,876,505.78
March 31	2,349,416.10½	5,802,107.77	2,901,063.88½	4,698,832.21
June 30	1,122,062.91	7,232,131.18	3,616,065.59	2,244,125.82
Total	5,757,213.97½	23,571,699.09	11,785,849.54½	11,514,427.95
1905-6.				
July-August	613,095.41	4,752,735.08	2,376,367.54	1,226,190.82

^aIn addition to the above sales of United States currency there was sold during the year, at a premium of 1.6 per cent, \$7,395 United States gold coin, under the provisions of paragraph 3, section 7, act 933.

The greater part of the above transactions represent exchanges for the Army, Navy, and different departments of the Philippine civil government.

The Philippine treasury is a United States Government depository. All funds to the credit of the Army and a large part of those to the credit of the Navy are held in United States currency, and accounts are kept in that currency. Disbursements, however, are largely made in Philippine currency by stamping checks drawn in United States currency with the words "payable in Philippine currency." Every such check appears as an exchange of Philippine currency for United States currency, although, it will be seen, the exchanges are in reality merely nominal ones. Accounts of different departments of the civil government, on the other hand, are all kept in Philippine currency, and United States currency received is exchanged with the gold-standard fund for Philippine currency when covered into the treasury.

WITHDRAWAL OF LOCAL CURRENCY FROM CIRCULATION.

A detailed statement of the difficulties experienced by the Philippine government in withdrawing the old currency from circulation, and of the means adopted to effect the retirement of that currency, was given in the first annual report of the chief of the division of the currency.

The taxation provisions of the local currency taxation act, the principal features of which were described in the above-mentioned report, began to become operative on October 1, 1904, and came into full effect on January 1, 1905. In November, 1904, an announcement was published urging the public to exchange their local currency for Philippine currency, and explaining the provisions of the local currency taxation act. This announcement, which was supplementary to one previously published, was translated into the various languages and dialects, and about 120,000 copies were posted throughout the islands.

On June 30, 1904, pursuant to the provisions of an executive order issued January 1 of that year, the government discontinued the redemption of local currency as money and on September 30 discontinued receiving it in payment of government dues. On September 29 the governor-general issued an order directing the insular treasurer and every provincial treasurer in the Philippine Islands to purchase Span-

ish-Filipino coins until January 1, 1905, at their bullion value, to be determined from time to time by the governor-general. The order further declared that for the purpose of facilitating "the substitution of Philippine currency for all forms of currency now circulating in the Philippine Islands, the provisions of this order for the redemption of Spanish-Filipino currency are hereby extended to Mexican currency, Chinese subsidiary silver coins, and all foreign copper coins now circulating in the Philippine Islands, all of which shall be redeemed at the same rates and upon the same conditions as those above provided for Spanish-Filipino money." The provisions of this order have been extended from time to time since January 1, 1905, and are still in force. Spanish-Filipino coins, although containing from 8 to 12 per cent less silver to the peso than the Mexican dollar, had, prior to the time of the above order, regularly circulated at par with that coin. Shortly after the issuance of the order, however, as had been expected, the market values of the two kinds of coins separated, that of Mexican currency being thenceforth determined by its value for exportation and that of Spanish-Filipino currency by the government's official rate for its purchase as bullion.

Section 9 of the local currency taxation act declared that—

No check, draft, note, bond, bill of exchange, or any contract whatsoever, payable in local currency, shall be exempted from the payment of the stamp tax provided for in sections six and seven of this act, unless the contract for which exemption is claimed shall be registered with the collector of internal revenue or his deputy before October first, nineteen hundred and four, and a certificate be attached thereto by the collector of internal revenue or his deputy certifying the exemption; and no deposit of local currency shall be exempted from the payment of the tax on bank deposits * * * unless the exemption is obtained as herein provided * * * prior to January first, nineteen hundred and five.

Pursuant to the above requirement, contracts payable in local currency amounting to Pfs. 7,365,653.85 (exclusive of government bank deposits) were reported by the collector of internal revenue as having been registered in his office prior to October 1, 1904, and exempted from the payment of the local-currency tax. Of this amount about Pfs. 3,500,000 represented insurance policies, Pfs. 1,840,000 bank deposits and overdrafts, Pfs. 900,000 book accounts, and Pfs. 700,000 bonds and other similar obligations. The total number of certificates of exemption issued was 684.

The law imposing prohibitive taxes on local-currency transactions, although passed in the face of an almost unanimous opposition on the part of the business community, proved eminently successful. The dates upon which the various taxes imposed were to become effective were so far distant that the law had little immediate effect. The trade of the islands continued, as before, to be transacted for the most part in local currency. Philippine currency was a drug on the market, and continued for some time to pile up in the banks and to be brought to the insular treasury in large quantities for the purchase of gold-standard-fund drafts. From January 28, 1904, the date of the passage of the local currency taxation act, until the latter part of June of the same year the value of the Mexican dollar in Manila, as measured by sterling exchange rates, was for over four-fifths of the time above the value of its fine-silver content in London and above the value of Hongkong currency in Hongkong, the difference at times amounting to as high as 7, 8, and even 9 per cent.

The forepart of June, however, the business community began to realize that the time for adjusting their affairs to the new currency basis had arrived, and it was surprising to see in what a short time the adjustment was accomplished and with what little disturbance to business. Between June 9 and June 15 sterling exchange rates in Manila declined nearly 5½ per cent as compared with a decline of less than one-third of 1 per cent during the same period in Hongkong. The London market price of silver was the same for both dates. This sudden decline in sterling exchange rates was the first positive sign of any important influence upon exchange rates exerted by the taxation measures soon to become effective.

Sterling exchange rates in Manila, however, continued above sterling exchange rates in Hongkong until the 2d of July, 1904. About the middle of June the members of the Manila Chamber of Commerce passed resolutions in favor of transferring their business to a Philippine-currency basis, and the Chinese Chamber of Commerce shortly afterwards adopted similar resolutions. Before the 1st of August the banks had practically discontinued making forward exchange contracts in local currency, and very few ready transactions in that currency were then being made. By September 1 all the banks were quoting exchange rates in the new currency and local currency had ceased to be an important factor in foreign-exchange transactions.

The decline in the use of local currency is well shown in the following figures representing the local-currency current-account credit balances (exclusive of government deposits) of the four principal Manila banks on certain specified dates:

June 30, 1903.....	Pfs. 8, 305, 102. 82
September 30, 1903.....	7, 538, 204. 96
December 31, 1903.....	5, 671, 352. 27
March 31, 1904.....	6, 287, 039. 01
June 30, 1904.....	3, 309, 737. 36
July 31, 1904.....	2, 645, 686. 34
August 31, 1904.....	1, 803, 620. 49
September 30, 1904.....	408, 475. 01
October 31, 1904.....	50, 538. 21
November 30, 1904.....	38, 274. 95
December 31, 1904.....	729. 00

With the beginning of the year of 1905, the collector of internal revenue issued instructions to his deputies and agents throughout the islands enjoining a rigid enforcement of the local currency taxation act. The circulation of local currency in the petty trade of the islands quickly ceased, and the Chinese and natives flocked to the insular treasury and to various provincial treasuries to exchange their old currency for the new.

The forepart of February of the present year the collector of internal revenue sent a circular letter to all provincial treasurers inquiring to what extent local currency was being used in the business of their respective provinces, and to what extent, if any, it was being held for speculative purposes. The reports received showed that by the middle of February local currency had practically ceased to be used, except to a small extent in a few of the more remote parts of the interior, and that, with the exception of a few sections, almost none was being held for speculative purposes. Subsequent inquiries made by the collector of internal revenue and by the insular treasurer showed that by June of the present year the circulation of the old currency had entirely ceased, although in a few provinces small amounts were still being hoarded in the hope of a higher price. The progress of the work of eliminating the old currency from circulation and introducing the new can best be read in the statistics which follow pertaining to the withdrawal of the old currency from circulation.

OFFICIAL RATES OF EXCHANGE.

The official rates for the redemption and receipt of local currency, as fixed from time to time by the governor-general since the introduction of the new currency, have been as follows:

Official rates for redemption of local currency.

Date on which rate became effective.	Rates in terms of selling price of Philippine peso.	Rates in terms of buying price of local peso.	Date on which rate became effective.	Rates in terms of selling price of Philippine peso.	Rates in terms of buying price of local peso.
July 18, 1903.....	Pfs. 1. 19	P0. 840	October 1, 1904 ^b	Pfs. 1. 18	P0. 847
August 1, 1903.....	1. 15	. 870	December 22, 1904.....	1. 14	. 877
January 1, 1904.....	1. 10	. 909	January 9, 1905.....	1. 20	. 883
January 29, 1904.....	1. 12	. 893	April 1, 1905.....	1. 25	. 800
April 12, 1904.....	1. 18	. 885	May 1, 1905.....	1. 30	. 770
May 23, 1904.....	1. 10	. 909	June 15, 1905.....	(c)	(c)
July 1, 1904 ^a	1. 13	. 885	July 24, 1905.....	1. 30	. 770
August 1, 1904.....	1. 10	. 909			

^a From July 1, 1904, to September 30, 1904, local currency was received in payment of government dues, but not directly redeemed by the government.

^b On October 1, 1904, local currency ceased to be receivable for government dues, and from that date forward has been purchased as bullion at official rates based upon the bullion value of Spanish-Philippine currency.

^c Redemption of local currency temporarily discontinued.

LOCAL-CURRENCY EXCHANGES.

The following table shows the local currency purchased and sold by the insular treasurer each month since the passage of the gold-standard act:

Philippine-currency and local-currency exchanges.

Date. ^a	Sold.		Bought.	
	Local currency.	Philippine currency.	Local currency.	Philippine currency.
1903-4.				
October 10-31	Pfs. 89,428.90	₱36,589.06	Pfs. 42,077.42	₱77,764.25
November	207,436.78	128,057.46	147,266.09	180,390.22
December	85,080.53	248,651.90	285,949.70	30,406.30
January	24,079.45	388,979.41	488,626.52	21,464.66
February	14,680.10	658,085.83	787,934.40	13,076.48
March	6,217.94	1,401,548.27	1,544,317.45	5,652.68
April	6,843.50	2,772,842.21	3,051,395.66	5,628.31
May	20,988.84	130,762.29	146,014.38	18,901.65
June	5,886.40	1,720,784.39	1,897,717.77	5,351.28
Total (1903-4)	410,142.44	7,486,300.82	8,301,299.39	358,624.68
1904-5.				
July	4,790.70	^b 2,474,917.37	^b 2,796,635.20	4,239.55
August		471,433.77	521,666.80	
September	640.00	488,998.12	538,622.28	581.82
October	655.00	134,831.50	153,960.61	556.08
November	724.32	125,945.78	143,619.23	508.61
December	19,750.30	655,919.63	748,871.41	16,737.55
January	102,061.89	421,249.71	483,768.95	94,387.00
February	51,053.50	546,224.73	631,712.70	46,695.22
March	126,146.12	747,169.19	867,136.07	114,365.76
April	112,500.00	635,833.17	746,992.69	101,227.84
May	120,600.00	548,259.34	648,546.71	111,304.18
June	60,200.00	396,980.07	482,064.81	54,857.67
Total (1904-5)	599,121.83	7,647,762.38	8,763,591.96	^c 545,455.28
1905-6.				
July	17,500.00	68,202.48	86,385.57	16,012.50
August	21,300.00	156,029.56	198,395.70	19,809.00

^a The dates refer to the months during which the purchases of local currency referred to were covered into the insular treasury and not the months during which that purchased by the provincial treasurers was received from the public.

^b Prior to July 30, 1904, local currency purchased was first taken up into the general-treasury fund and later transferred to the gold-standard fund when shipped to San Francisco for recoinage. Since July 30, 1904, all purchases of local currency have been paid for directly out of the gold-standard fund. The large purchases for July, and the discrepancy between the figures for July, 1904, given above, as compared with those given for the same month in the last annual report of this office, are explained by the fact that all local currency in the general fund was transferred to the gold-standard fund on July 30, 1904.

^c See footnote ^a under following table.

The great bulk of the local currency purchased consists of Spanish-Filipino coins which are regularly shipped to San Francisco for recoinage. The sales of local currency above referred to represent sales of Mexican and Chinese coins to local banks for exportation to China.

The rates at which purchases and sales were effected during the fiscal year 1904-5 are shown in the following tables:

Local currency purchased and sold during the fiscal year 1904-5.

Purchased.			Sold.		
Rate.	Amount.	Cost.	Rate.	Amount.	Cost.
1.30.....	Pfs. 98,730.98	₱75,946.97	1.438.....	Pfs. 724.32	₱508.61
1.25.....	157,388.20	125,906.58	1.18.....	19,750.30	16,737.55
1.20.....	1,439,954.03	1,124,961.54	1.14.....	1.12	.98
1.18.....	587,523.82	465,523.36	1.13½.....	21,000.00	18,502.20
1.16.....	438.84	374.00	1.13.....	10,700.00	9,448.12
1.15.....	12,865.97	11,179.11	1.13.....	37,690.70	38,354.60
1.14.....	2,587,660.97	2,226,009.58	1.12.....	21,500.00	19,196.43
1.136.....	63.12	55.56	1.11½.....	20,200.00	18,076.06
1.13.....	2,952,658.42	2,612,986.60	1.11.....	15,100.00	13,603.61
1.12.....	2,649.41	2,365.54	1.10½.....	18,000.00	16,289.58
1.10.....	1,113,698.20	1,012,448.65	1.10.....	92,234.99	88,864.16
			1.09½.....	38,000.00	30,205.95
Total purchased....	8,768,591.96	7,647,762.38	1.09.....	100,245.00	91,967.89
			1.08½.....	40,000.00	36,781.61
			1.08.....	32,500.00	29,981.55
			1.08.....	68,515.60	68,510.73
			1.07.....	72,899.80	68,130.64
			Total sold....	599,121.83	₱545,455.28

^a In July, 1904, Pfs. 4,790.70 belonging to the general-treasury fund was sold for ₱4,239.55. This item appears in the table of local-currency sales and the table of local-currency exchanges. It does not enter into the gold-standard fund account given on pages 8 and 9, since the operation was entirely outside of the gold-standard fund.

LOCAL-CURRENCY SHIPMENTS.

The shipments of local currency to and from the islands for the period from July 1, 1903, to September 1, 1905, are shown in the following table:

Local-currency shipments from July 1, 1903, to September 1, 1905.

Date.	Commercial—		Governmental exports. ^a
	Imports.	Exports.	
1903-4. ^b			
July	Pfs. 22,100.00	Pfs. 2,930,000.00	.....
August	697,978.00	1,730,700.00	.....
September	71,059.00	1,530,500.00	.....
October	5,670.00	1,505,700.00	.....
November	367,270.00	358,600.00	Pfs. 600,000.00
December	279,626.00	363,480.00	400,000.00
January	725,000.00	44,000.00	.....
February		567,500.00	1,556,000.00
March		275,000.00	1,090,000.00
April		2,100.00	1,230,000.00
May			1,810,000.00
June		55,770.00	1,000,000.00
Total (1903-4)	2,168,703.00	9,363,350.00	7,686,000.00
1904-5.			
July		837,420.50	1,102,000.00
August		10,000.00	430,000.00
September		1,197,500.00	1,055,000.00
October		1,683,065.00	950,000.00
November		1,022,750.00	250,000.00
December		1,183,984.00	175,000.00
January		643,701.00	500,000.00
February		^c 486,606.95	1,000,000.00

^a The exportations made by the government all refer to shipments of Spanish-Filipino money to San Francisco for recoinage.

^b From January 1 to June 30, 1903, there was a net commercial exportation of Mexican currency from the islands amounting to approximately Pfs. 8,500,000.

^c Including Pfs. 1,350 Banco Español-Filipino notes.

Local-currency shipments from July 1, 1903, to September 1, 1905—Continued.

Date.	Commercial—		Governmental exports.
	Imports.	Exports.	
1904-5.			
March		Pfs. 229,438. 10	Pfs. 920,000. 00
April		181,041. 40	600,000. 00
May		191,023. 00	715,000. 00
June		119,717. 95	350,000. 00
Total (1904-5)		7,786,247. 90	8,027,000. 00
1905-6.			
July		140,698. 10	100,000. 00
August		182,685. 00	150,000. 00
Grand total.....		17,472,981. 00	15,963,000. 00

IGOROT COPPER COINS.

For a number of years there existed a practice among certain of the savage tribes inhabiting the mountains of Lepanto-Bontoc and Nueva Vizcaya of extracting copper from the surface deposits of nearly pure copper found in those regions and of pounding it out into round, flat disks to circulate as money. These copper pieces worked their way quite extensively into the petty trade of central and northern Luzón, and considerable quantities found their way into more remote parts of the islands.

On January 13, 1905, the governor-general issued an order declaring that—

“In view of the presence in circulation of a considerable number of counterfeit copper coins, some of which have been made by the Igorrotes in northern Luzón, it is hereby ordered that the insular treasurer and each provincial treasurer or deputy provincial treasurer shall, on and after this date and until further order, purchase all copper coins which have been in circulation within the Philippine Islands, but are not the coins of any country, at forty centavos per pound avoirdupois.”

Up to June 30, 1905, 15,448½ pounds of these copper coins had been purchased by the government, at a cost of ₱6,179.30.

PHILIPPINE-CURRENCY CIRCULATION.

The circulation of Philippine currency at the end of each month since October, 1903, as estimated by the chief of the division of the currency, is given in the following table:

Philippine-currency circulation.

Date.	Amount in circulation.	Increase (+) or decrease (-).	Date.	Amount in circulation.	Increase (+) or decrease (-).
1903-4.					
November.....	₱3,998,058	— ₱82,665	October.....	₱15,963,043	+ ₱1,709,244
December.....	3,910,398	+ 77,660	November.....	18,008,984	+ 2,040,941
January.....	5,484,295	+ 1,573,902	December.....	20,765,524	+ 2,751,540
February.....	6,238,827	+ 749,532	January.....	24,449,679	+ 3,684,154
March.....	7,402,368	+ 1,163,541	February.....	26,712,956	+ 2,263,277
April.....	6,718,799	- 683,569	March.....	27,044,715	+ 331,759
May.....	8,226,114	+ 1,507,315	April.....	28,839,477	+ 1,794,761
June.....	9,067,127	+ 831,013	May.....	28,054,738	- 784,739
			June.....	28,160,667	+ 105,929
1904-5.					
July.....	10,481,955	+ 1,424,828	1905-6.		
August.....	12,362,617	+ 1,880,662	July.....	27,460,628	- 700,089
September.....	14,258,799	+ 1,891,182	August.....	27,291,621	- 169,007

EXCHANGE RATES.

Appended to this report will be found a series of tables covering the period from January 1, 1890, to June 30, 1905, showing for each month (1) the highest, lowest, mean, and average price of bar silver in London; (2) the average bullion value of the Mexican peso; (3) the highest, lowest, mean, and average rate of sterling

exchange in Hongkong, and (4) the highest, lowest, mean, and average rate of sterling exchange in Manila.

The tables have been prepared to meet the need frequently felt of some reliable information concerning the value of the island's currency in the past, as an aid to the equitable adjustment of leases, insurance policies, and other contracts of long standing, and as a necessary means to the formation of an intelligent judgment concerning the volume of the island's trade, both domestic and foreign, and concerning taxes, wages, and prices during the last decade and a half of the island's history. The tables will incidentally prove of value, it is believed, on account of the light they throw on a number of mooted currency problems.

During the entire period covered by the tables, Hongkong has been a free market as regards the importation and exportation of Mexican currency. From March 20, 1877, to August 19, 1898, the importation of Mexican currency into the Philippines was prohibited, although large amounts were frequently smuggled into the islands by the connivance of Spanish officials. Long before 1890 gold had disappeared from circulation in the islands. From March 20, 1877, to August 19, 1898, the islands' currency, by reason of the limitation placed upon its supply, circulated at a value usually considerably above that of the Mexican dollar in the free port of Hongkong. From August 19, 1898, until January 14, 1904, there were no restrictions to the free movement of Mexican currency to and from the Philippines, except for a short period during the Boxer uprising in China, when, from November 12, 1900, to August 31, 1901, there was a 10 per cent duty on the exportation of Mexican currency from the islands. Since January 14, 1904, the importation of Mexican currency into the islands has been prohibited.

The figures given in the appended tables were, for the period from January 1, 1890, to September 1, 1903, prepared from the daily records of the Manila branch of the Hongkong and Shanghai Banking Corporation, which the manager of that institution, Mr. H. D. C. Jones, has courteously placed at the disposal of this office. The rates from September 1, 1903, to June 30, 1905, are based upon daily reports received by the chief of the division of the currency from all three of the leading exchange banks of Manila. Manila quotations from September 1, 1904, are for Philippine currency. Sterling rates have been given instead of New York rates, because sterling rates are the dominating rates in Manila, most of the exchange operations being effected through London, and because New York quotations are not available, except for a very short part of the period under consideration.

All of which is respectfully submitted.

E. W. KEMMERER,

Chief of the Division of the Currency.

THE TREASURER OF THE PHILIPPINE ISLANDS,
Manila, P. I.

The London price of silver, and Hongkong and Manila sterling exchange rates, 1890-1905.

Year.	London price of standard silver. ^a				Average value fine-silver content of Mexican dollar.	Sterling rates in Hongkong, four months' bank paper.				Sterling rates in Manila, four months' bank paper.			
	High.	Low.	Mean.	Average.		High.	Low.	Mean.	Average.	High.	Low.	Mean.	Average.
1890.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
January	44½	44½	44½	44½	37½	39½	38	38½	38½	40½	39½	39½	39½
February	44½	43½	44½	44½	37½	38½	37½	37½	37½	39½	39½	39½	39½
March	44½	43½	44½	44½	37½	38	37½	37½	37½	39½	39½	39½	39½
April	48	43½	45½	45½	38½	40	37½	38½	38½	40½	39	39½	39½
May	47½	46	46½	46½	39½	40½	39½	40½	40½	41	40	40½	40½
June	49	46½	47½	47½	40½	41½	39½	40½	40½	41½	40	40½	41½
July	50½	47½	48½	48½	41½	43½	41	42½	42½	44½	41½	42½	42½
August	54½	50½	52½	52½	44½	46½	43½	44½	45	47½	44½	45½	45½
September	54½	50	52½	53½	45½	46½	44	45½	45½	46½	44	45½	46½
October	51½	48½	49½	49½	42½	43½	40½	42½	42	43	41½	42½	42½
November	48½	45	46½	45½	38½	41½	39½	40½	41	42	41½	41½	41½
December	49½	47½	48½	48½	41	43	41½	42½	41½	44	42	43	43½
Year	54½	43½	49½	47½	40½	46½	37½	41½	40½	47½	39	43½	41½

^aThe silver quotations here given are based upon the closing quotations of each day as telegraphed to the Manila branch of the Hongkong and Shanghai Banking Corporation by the London office of that institution.

The London price of silver, and Hongkong and Manila sterling exchange rates, 1890-1905—Continued.

Year.	London price of standard silver.				Average value fine-silver content of Mexican dollar.	Sterling rates in Hongkong, four months' bank paper.				Sterling rates in Manila, four months' bank paper.			
	High.	Low.	Mean.	Average.		High.	Low.	Mean.	Average.	High.	Low.	Mean.	Average.
1891.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
January	48½	47½	48½	48	40½	41½	41	39½	41½	43½	42½	43	42½
February	46½	44½	45½	45½	38½	41½	38	39½	39½	42½	40½	41½	40½
March	45½	44½	44½	44½	38½	39	38½	38½	38½	40½	40	40½	40½
April	45½	43½	44½	44½	38½	38½	37½	38½	38½	40½	40½	40½	40½
May	45½	44½	44½	44½	34½	38½	37½	38½	38½	40½	40½	40½	40½
June	46	44½	45½	44½	38½	39	37½	38½	38½	40½	40½	40½	40½
July	46½	45½	46	46	38½	39	38½	39½	39½	40½	40½	40½	40½
August	46½	45½	45½	45½	38½	39	38½	38½	38½	40½	40½	40½	40½
September	45½	44½	45½	45	38½	38½	38½	38½	38½	40½	40½	40½	40½
October	45	44½	44½	44½	37½	38½	37½	38½	38½	40½	40	40½	40½
November	44½	43½	43½	43½	37½	37½	37½	37½	37½	40	40	40	40
December	43½	43½	43½	43½	37½	37½	37½	37½	37½	40	40	40	40
Year.....	48½	43½	46½	45½	38½	41½	37½	39½	38½	43½	40	41½	40½
1892. ^a													
January	43½	42	42½	42½	36½	37½	36½	36½	36½	40	39½	39½	39½
February	41½	41½	41½	41½	36½	36½	35½	35½	35½	39½	39	39½	39½
March	41½	39	40½	40½	34½	35½	33½	34½	35½	39½	38½	38½	38½
April	40½	39½	39½	39½	33½	34	33½	33½	34	38½	38	38½	38½
May	40½	39½	40½	40½	34½	34	33½	34½	34½	38	38	38	38
June	41	40½	40½	40½	34½	34½	34½	34½	34½	38½	38	38½	38½
July	40½	39½	39½	39½	33½	34	33½	33½	34	38	37½	37½	36
August	39½	37½	38½	38½	32½	33	32½	32½	32½	37½	36½	37½	37½
September	38½	38	38½	38½	32½	33	33	33	33	36½	36½	36½	36½
October	39½	38	38½	38½	33½	34	33	33½	33½	37½	36½	37	37
November	39½	38½	39	39	33½	33½	32½	33	33½	37	37	37	37
December	39½	37½	38½	38½	32½	33½	32½	32½	32½	37	36	36½	36½
Year.....	43½	37½	39½	39½	33½	34½	32½	33½	33½	40	36	38	37½
1893.													
January	38½	38½	38½	38½	32½	32½	32½	32½	32½	36½	35½	35½	35½
February	38½	38½	38½	38½	32½	32½	32½	32½	32½	35½	35½	35½	35½
March	38½	37½	37½	38½	32½	32½	32½	32½	32½	36	35½	35½	35½
April	38½	37½	38½	38½	32½	32½	32½	32½	32½	36½	36	36½	36½
May	38½	37½	38½	38½	32½	32½	32½	32½	32½	36½	36	36½	36½
June	38½	30	34½	34½	31½	32½	30	31½	31½	36½	34	35½	36½
July	34½	32½	33½	33½	28½	30½	28½	29½	29½	33½	33	33½	33½
August	34½	32½	33½	34½	28½	30	29½	29½	29½	33½	33	33½	33½
September	34½	33½	34½	34½	29½	29½	29	29½	29½	33½	33	33½	33½
October	34½	31½	32½	33½	28½	29	28½	29	29	33½	32½	32½	32½
November	32½	31½	32½	32½	27½	28½	27½	28½	28½	32½	32½	32½	32½
December	32½	31½	31½	32	27½	28½	27½	28½	28½	32	32	32	32
Year.....	38½	30	34½	35½	31½	32½	27½	30	30½	36½	32	34½	34½
1894.													
January	31½	30½	31½	31½	26½	27½	26½	27	27	32	30	31	31½
February	30½	27½	29½	29½	24½	27	24	25½	25½	31	31	31	31
March	27½	27	27½	27½	23½	24	23½	23½	23½	30	30	30½	30½
April	29½	28	28½	28½	24½	24	24½	24½	24½	30	30	30	30
May	29½	28½	28½	28½	24½	25	24½	25	25	30	30	30	30
June	28½	28½	28½	28½	24½	25	24½	25	25	30	30	30	30
July	28½	28½	28½	28½	24½	25	25	25	25	30	30	30	30
August	30½	28½	29½	29½	24½	25	25	25	25	31	30	30	30
September	30½	29	29½	29½	25	26	26	26	26	30	30	30	30
October	29½	29	29½	29½	24½	26	25	25	25	30	30	30	30
November	29½	28½	28½	29½	24½	25	24	25	25	30	29	29	29
December	28½	27½	27½	27½	23½	24	24	24	24	29	28	28	28
Year.....	31½	27	28½	28½	24½	27½	23½	25½	25½	32	28	30	30½

^a Hongkong rates for the first six months of 1892 are for four months' bank paper; for the last six months of 1892 and thereafter are for telegraphic transfers. The highest, lowest, mean, and average rates for the first six months were, respectively, 37½, 33½, 35½, and 38½.

^b Figures refer to six months ending December 31, 1892.

The London price of silver, and Hongkong and Manila sterling exchange rates, 1890-1906—
Continued.

Year.	London price of stand- ard silver.				Average value fine silver con- tent of Mex- ican dollar.	Sterling rates in Hong- kong, four months' bank paper.				Sterling rates in Manila, four months' bank paper.			
	High.	Low.	Mean.	Aver- age.		High.	Low.	Mean.	Aver- age.	High.	Low.	Mean.	Aver- age.
1895.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
January	27 7/8	27 1/2	27 3/4	27 3/4	23 1/2	24	23 1/2	23 3/4	23 3/4	28	28	28	28
February	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	28	28	28	28
March	30	27 1/2	28 1/2	28 1/2	24	25	23 1/2	24 1/2	24 1/2	28	28	28	28
April	30 1/2	29	30 1/4	30 1/4	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	28	27 1/2	27 3/4	27 3/4
May	30 1/2	30 1/4	30 3/8	30 3/8	26	25 1/2	25 1/4	25 3/8	25 3/8	27 1/2	27	27 1/4	27 1/4
June	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26	25 1/2	25 3/8	25 3/8	27	27	27 1/4	27 1/4
July	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	25 1/2	25 3/8	25 3/8	27	27	27 1/4	27 1/4
August	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	25 1/2	25 3/8	25 3/8	27	27	27 1/4	27 1/4
September	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	25 1/2	25 3/8	25 3/8	27	27	27 1/4	27 1/4
October	31 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	27 1/2	27 1/2	27 3/4	27 3/4
November	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	27 1/2	27 1/2	27 3/4	27 3/4
December	30 1/2	30	30 1/4	30 1/4	25 1/4	26	25 1/2	25 3/8	25 3/8	28	27 1/2	27 3/4	27 3/4
Year.....	31 1/2	27 1/2	29 1/2	29 1/2	25 1/4	26 1/2	23 1/2	24 1/2	25 1/2	28	27	27 1/2	27 1/2
1896.													
January	30 1/2	30 1/4	30 3/8	30 3/8	26 1/4	25 1/2	25 1/4	25 3/8	25 3/8	28	28	28	28
February	31 1/2	30 1/4	31 1/8	31 1/8	26 1/4	25 1/2	25 1/4	25 3/8	25 3/8	30	28	29	29 1/2
March	31 1/2	30 1/4	31 1/8	31 1/8	26 1/4	26 1/2	25 1/4	26 3/8	26 3/8	31	30	30 1/2	30 1/2
April	31 1/2	30 1/4	31 1/8	31 1/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	31	31	31	31
May	31 1/2	30 1/4	31 1/8	31 1/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	31	31	31	31
June	31 1/2	31 1/4	31 3/8	31 3/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	31	31	31	31
July	31 1/2	31 1/4	31 3/8	31 3/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	31	31	31	31
August	31 1/2	30 1/4	30 3/8	30 3/8	26 1/4	26 1/2	26 1/4	26 3/8	26 3/8	31	30	30 1/2	30 1/2
September	30 1/2	30	30 1/4	30 1/4	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	30	30	30	30
October	30 1/2	29 1/2	30 1/4	30 1/4	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	30	30	30	30
November	30 1/2	29 1/2	29 3/4	29 3/4	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	30	30	30	30
December	30	29 1/2	29 3/4	29 3/4	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	29	27 1/2	28 1/2	28 1/2
Year.....	31 1/2	29 1/2	30 1/2	30 1/2	26 1/4	26 1/2	25 1/2	25 3/8	25 3/8	31	27 1/2	29 1/2	29 1/2
1897.													
January	29 1/2	29 1/4	29 3/8	29 3/8	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	27 1/2	27 1/2	27 3/4	27 3/4
February	29 1/2	29 1/4	29 3/8	29 3/8	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	27 1/2	27 1/2	27 3/4	27 3/4
March	29 1/2	29 1/4	29 3/8	29 3/8	25 1/4	25 1/2	25 1/4	25 3/8	25 3/8	27 1/2	27 1/2	27 3/4	27 3/4
April	28 1/2	28 1/4	28 3/8	28 3/8	24 1/4	24 1/2	24 1/4	24 3/8	24 3/8	27	26 1/2	26 3/4	26 3/4
May	28 1/2	27 1/2	27 3/4	27 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	26 1/2	24 1/2	25 1/4	25 1/4
June	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24	23 1/2	23 3/4	23 3/4
July	27 1/2	26 1/2	26 3/4	26 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	23 1/2	23 1/2	23 3/4	23 3/4
August	26 1/2	26 1/4	26 3/8	26 3/8	21 1/4	21 1/2	21 1/4	21 3/8	21 3/8	23 1/2	23 1/2	23 3/4	23 3/4
September	27 1/2	27 1/4	27 3/8	27 3/8	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	24	23 1/2	23 3/4	23 3/4
October	27 1/2	26 1/2	26 3/4	26 3/4	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	24 1/2	23 1/2	23 3/4	23 3/4
November	27 1/2	26 1/2	26 3/4	26 3/4	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	24 1/2	23 1/2	23 3/4	23 3/4
December	27 1/2	25 1/2	26 1/4	26 1/4	22 1/4	23 1/2	23 1/4	23 3/8	23 3/8	25	25	25	25
Year.....	29 1/2	23 1/2	26 1/2	27 1/4	23 1/4	25 1/2	21 1/2	23 3/8	23 3/8	27 1/2	22 1/2	25	25 1/2
1898.													
January	26 1/2	26 1/4	26 3/8	26 3/8	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	25	25	25	25
February	26 1/2	25 1/4	25 3/8	25 3/8	21 1/4	21 1/2	21 1/4	21 3/8	21 3/8	25	24 1/2	24 3/4	24 3/4
March	26 1/2	25 1/4	25 3/8	25 3/8	21 1/4	21 1/2	21 1/4	21 3/8	21 3/8	24	23 1/2	23 3/4	23 3/4
April	26 1/2	25 1/4	25 3/8	25 3/8	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	23 1/2	22 1/2	22 3/4	22 3/4
May	26 1/2	25 1/4	25 3/8	25 3/8	22 1/4	22 1/2	22 1/4	22 3/8	22 3/8	22 1/2	22 1/2	22 3/4	22 3/4
June	27 1/2	26 1/2	26 3/4	26 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	22 1/2	22 1/2	22 3/4	22 3/4
July	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	22 1/2	22 1/2	22 3/4	22 3/4
August	27 1/2	26 1/2	26 3/4	26 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	23 1/2	23 1/2	23 3/4	23 3/4
September	28 1/2	27 1/2	27 3/4	27 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	23 1/2	23 3/4	23 3/4
October	28 1/2	27 1/2	27 3/4	27 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	23 1/2	23 3/4	23 3/4
November	28 1/2	27 1/2	27 3/4	27 3/4	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	23 1/2	23 3/4	23 3/4
December	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	24 1/2	24 3/4	24 3/4
Year.....	28 1/2	25	26 1/2	26 1/2	22 1/4	23 1/2	22 1/2	22 3/8	22 3/8	25	22 1/2	23 1/2	23 1/2
1899.													
January	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	24 1/2	24 3/4	24 3/4
February	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	24 1/2	24 3/4	24 3/4
March	27 1/2	27 1/4	27 3/8	27 3/8	23 1/4	23 1/2	23 1/4	23 3/8	23 3/8	24 1/2	24 1/2	24 3/4	24 3/4

The London price of silver, and Hongkong and Manila sterling exchange rates, 1890-1905—
Continued.

Year.	London price of stand- ard silver.				Average value the silver con- tent of Mex. fin. dollar.	Sterling rates in Hong- kong, four months' bank paper.				Sterling rates in Manila, four months' bank paper.			
	High.	Low.	Mean.	Average.		High.	Low.	Mean.	Average.	High.	Low.	Mean.	Average.
1899.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
April	28 1/2	27 1/2	28 1/4	27 3/4	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
May	28 1/2	28 1/2	28 1/2	28 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
June	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
July	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
August	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
September	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
October	26 1/2	26 1/2	26 1/2	26 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	23 1/2	23 1/2	23 1/2	23 1/2
November	27 1/2	26 1/2	27 1/2	27 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	23 1/2	23 1/2	23 1/2	23 1/2
December	27 1/2	26 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
Year	28 1/2	26 1/2	27 1/2	27 1/2	23 1/2	24 1/2	23 1/2	23 1/2	23 1/2	24 1/2	23 1/2	24 1/2	24 1/2
1900.													
January	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
February	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
March	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
April	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
May	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
June	28 1/2	27 1/2	28 1/2	27 1/2	23 1/2	24 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
July	28 1/2	27 1/2	28 1/2	28 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
August	28 1/2	27 1/2	28 1/2	28 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
September	29 1/2	28 1/2	29 1/2	28 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	25 1/2	24 1/2	24 1/2	25 1/2
October	30 1/2	29 1/2	30 1/2	29 1/2	25 1/2	25 1/2	24 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2
November	29 1/2	29 1/2	29 1/2	29 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2
December	29 1/2	29 1/2	29 1/2	29 1/2	25 1/2	25 1/2	24 1/2	25 1/2	25 1/2	25 1/2	24 1/2	24 1/2	24 1/2
Year	30 1/2	27 1/2	28 1/2	28 1/2	24 1/2	25 1/2	23 1/2	24 1/2	24 1/2	25 1/2	24 1/2	24 1/2	24 1/2
1901. ^a													
January	29 1/2	27 1/2	28 1/2	28 1/2	24 1/2	24 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
February	28 1/2	27 1/2	28 1/2	28 1/2	23 1/2	24 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
March	28 1/2	27 1/2	28 1/2	28 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
April	27 1/2	26 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
May	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
June	27 1/2	27 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
July	27 1/2	26 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
August	27 1/2	26 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
September	27 1/2	26 1/2	27 1/2	27 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
October	26 1/2	26 1/2	26 1/2	26 1/2	22 1/2	23 1/2	22 1/2	23 1/2	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2
November	26 1/2	25 1/2	26 1/2	26 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	23 1/2	23 1/2	23 1/2	23 1/2
December	25 1/2	25 1/2	25 1/2	25 1/2	21 1/2	22 1/2	21 1/2	22 1/2	22 1/2	23 1/2	23 1/2	23 1/2	23 1/2
Year	29 1/2	25 1/2	27 1/2	27 1/2	23 1/2	24 1/2	21 1/2	23 1/2	23 1/2	24 1/2	23 1/2	23 1/2	23 1/2
1902.													
January	26 1/2	25 1/2	25 1/2	25 1/2	21 1/2	22 1/2	22 1/2	22 1/2	22 1/2	23 1/2	23 1/2	23 1/2	23 1/2
February	25 1/2	25 1/2	25 1/2	25 1/2	21 1/2	22 1/2	21 1/2	21 1/2	21 1/2	22 1/2	22 1/2	22 1/2	22 1/2
March	25 1/2	24 1/2	25 1/2	25 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	22 1/2	22 1/2	22 1/2	22 1/2
April	24 1/2	23 1/2	24 1/2	24 1/2	20 1/2	21 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
May	24 1/2	23 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
June	24 1/2	23 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
July	24 1/2	23 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
August	24 1/2	24 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
September	24 1/2	23 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	21 1/2	21 1/2	21 1/2	21 1/2
October	23 1/2	23 1/2	23 1/2	23 1/2	19 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2
November	23 1/2	21 1/2	22 1/2	22 1/2	19 1/2	19 1/2	18 1/2	19 1/2	19 1/2	18 1/2	18 1/2	18 1/2	18 1/2
December	22 1/2	21 1/2	22 1/2	22 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2
Year	26 1/2	21 1/2	23 1/2	23 1/2	20 1/2	22 1/2	18 1/2	20 1/2	20 1/2	18 1/2	20 1/2	20 1/2	20 1/2
1903.													
January	22 1/2	21 1/2	22 1/2	22 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2
February	22 1/2	21 1/2	22 1/2	22 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2	19 1/2	18 1/2	18 1/2	18 1/2
March	22 1/2	21 1/2	22 1/2	22 1/2	19 1/2	19 1/2	18 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2
April	25 1/2	24 1/2	25 1/2	25 1/2	19 1/2	20 1/2	19 1/2	19 1/2	19 1/2	20 1/2	19 1/2	19 1/2	19 1/2
May	25 1/2	24 1/2	25 1/2	25 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2
June	24 1/2	24 1/2	24 1/2	24 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2
July	25 1/2	24 1/2	25 1/2	25 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2

^a Manila rates for 1901 and thereafter are for telegraphic transfers.

The London price of silver, and Hongkong and Manila sterling exchange rates, 1890-1905—
Continued.

Year.	London price of standard silver.				Average value fine silver content of Mexican dollar.	Sterling rates in Hongkong, four months' bank paper.				Sterling rates in Manila, four months' bank paper.			
	High.	Low.	Mean.	Average.		High.	Low.	Mean.	Average.	High.	Low.	Mean.	Average.
1903.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
August	26 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
September	27 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
October	28 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
November	27 $\frac{1}{2}$	26 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	20 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$
December	26 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	21 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$	21 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$
Year.....	28 $\frac{1}{2}$	21 $\frac{1}{2}$	25 $\frac{1}{2}$	24 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	18 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$	23 $\frac{1}{2}$	18 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{1}{2}$
1904.													
January	27 $\frac{1}{2}$	25 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	20 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
February	27 $\frac{1}{2}$	25 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
March	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
April	25 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	20 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
May	25 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$
June	26 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	25 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
July	27 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
August	27 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
September	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$	a 24 $\frac{1}{2}$	a 24 $\frac{1}{2}$	a 24 $\frac{1}{2}$	a 24 $\frac{1}{2}$
October	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
November	27 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
December	28 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
Year.....	28 $\frac{1}{2}$	24 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	20 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	21 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$
1905.													
January	28 $\frac{1}{2}$	27 $\frac{1}{2}$	28 $\frac{1}{2}$	27 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
February	28 $\frac{1}{2}$	27 $\frac{1}{2}$	27 $\frac{1}{2}$	28 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
March	27 $\frac{1}{2}$	25 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
April	26 $\frac{1}{2}$	25 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
May	27 $\frac{1}{2}$	26 $\frac{1}{2}$	27 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
June	27 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	26 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$
Half year.	28 $\frac{1}{2}$	25 $\frac{1}{2}$	26 $\frac{1}{2}$	27 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	21 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$	24 $\frac{1}{2}$

a Manila rates from September, 1904, forward are for Philippine currency.



EXHIBIT No. 5.

REPORT OF THE COLLECTOR OF CUSTOMS FOR THE PHILIPPINE ISLANDS.

OFFICE OF THE COLLECTOR OF CUSTOMS FOR THE PHILIPPINE ISLANDS.

Manila, September 15, 1905.

SIR: In accordance with your instructions of July 12, 1905, I have to submit herewith my fourth special report of the operations of the Philippine customs service from July 1, 1904, to June 30, 1905, together with a supplemental report covering the operations down to August 31, 1905, to accompany the fourth annual report of the department of finance and justice.

Respectfully,

W. MORGAN SHUSTER,

Collector of Customs for the Philippine Islands.

Hon. HENRY C. IDE,

Secretary of Finance and Justice, Philippine Commission, Manila.

[Inclosures.]

FOURTH SPECIAL REPORT.

OFFICE OF THE COLLECTOR OF CUSTOMS FOR THE PHILIPPINE ISLANDS,

Manila, September 15, 1905.

SIR: The third special report of this office, in its narrative portion, covered the period from October 8, 1903, to September 1, 1904, the financial and statistical statements, including the entire period of American occupation of these islands. This report will cover the fiscal year 1905, and in supplemental form the months of July and August, 1905. The statistical tables will, as usual, cover the entire period of American occupation to date.

After the lapse of four years the formative period of the customs service is believed to be passed, and the working of the system is now on such a permanent and well-organized basis that an extended reference to regulations and other matters relating to the building up of the service is not deemed necessary. As required by law, certain annual regulations have been promulgated from time to time.

On September 22, 1904, the Philippine Commission enacted Act No. 1235, amending certain sections of the customs administrative act. These amendments were of considerable importance. One removed the requirement that manifests of cargoes for ports in the Philippine Islands shipped from a foreign port be certified by an American consular representative. Experience had shown that, as carried out, this requirement had but little practical effect and tended to inconvenience shipping interests. At the present time manifests of foreign cargoes are prepared and sworn to by the master or agent of the vessel upon arrival at a port in the Philippine Islands.

Most important of all the amendments made in the act mentioned was that with reference to section 117 of Act No. 355, extending to corporations or companies created under the laws of the United States or any State thereof, or of the Philippine Islands, with a duly authorized officer of such corporation or company residing in the Philippine Islands, the privilege of obtaining a certificate of protection for vessels owned by such companies or corporations to engage in the general coastwise trade.

The practical effect of Act No. 1230, passed September 9, 1904, providing for free entry of merchandise imported by the insular government when the articles are of such a character that local competition is impracticable, has been that duties are paid only in exceptional cases by the insular government. Merchandise imported by it is ordinarily entered on the usual government free entry. This does not include merchandise intended for the government but imported by private individuals.

On March 30, 1905, this office, after having made careful study of the changed conditions surrounding the coastwise trade of these islands, made the following recommendation to the honorable secretary of finance and justice:

"After careful consideration of the whole subject of supervision of local vessels, and in view of the increasing insular revenues provided by the internal-revenue law, it is recommended by this office that all coastwise entrance and clearance fees be abolished; and further, that all coastwise supports in these islands be declared open to the trade of regularly licensed local vessels, except such ports as, for special reasons, may be temporarily or permanently closed by the governor-general.

"It is realized that this step is a somewhat radical one; similar recommendations have been made to this office by various collectors of customs and other customs officials during the past two years, but in the opinion of the undersigned the adoption of this measure heretofore would have been premature, to say the least.

"Conditions are now believed to be such that the step can be taken with comparative safety, and the advantages accruing to the coastwise vessels will of course be very decided.

* * * * *

"One other feature recommends the adoption of the above general plan. If the coastwise entrance and clearance fees are abolished it will be possible for this office to do away with a large number of subinspectors at outside ports, thus effecting a saving to the government of about \$16,000 per year. This would reduce the net loss to the customs revenues to less than \$25,000 per year. It is the opinion of this office that the benefits to be derived by the coasting trade would fully compensate the insular government for the loss of the above revenue."

Pursuant to this recommendation, Act No. 1341, passed by the Philippine Commission May 4, 1905, threw open for the purposes of interisland commerce all ports and places in the islands to vessels licensed to engage in the coastwise trade, and removed all fees and charges in the matter of entry and clearance of vessels at all except entry ports.

Act No. 1354, enacted June 15, 1905, amended certain provisions of the customs administrative act, by exempting all vessels of less than fifteen tons gross burden from taking out annual licenses or the payment of any fee or charge whatsoever. This legislation is a great benefit to owners of small boats throughout the islands, and will tend to encourage and stimulate trade between the various islands and remote parts thereof, by abolishing the annual tax on small boats capable of transporting merchandise. The question was purely one of dispensing with the revenues from this source.

TARIFF-REVISION LAW OF 1905.

The customs bureau was called upon to put into operation the tariff-revision law of 1905, enacted by Congress March 3, 1905, with the proviso that it would become effective on May 2, sixty days after its passage.

While the law does not change the method of tariff taxation, it is an improvement over the prior law, in that some inconsistencies growing out of the former have been remedied and certain rates of duties equalized. Prominent among the changes were the readjustment of the machinery schedule and a greater use of ad valorem qualifying rates.

The normal condition of customs circles has been affected by the enactment of the new tariff law, for the reason that an unusual quantity of those goods upon which rates were to be increased was imported prior to the time the law became effective, while importations of other lines of merchandise on which it was understood the rates of duties would be lowered were postponed.

REFUND OF DUTIES ON HEMP EXPORTS SHOULD BE REPEALED.

It is earnestly recommended that that part of the Act of Congress of March 3, 1902, providing for the refund of duties paid on hemp exported to the United States be repealed, as three years' experience has failed to show that the producer of hemp in the Philippine Islands has benefited thereby, while on the other hand the revenue is affected to the extent of \$486,575.56 (fiscal year 1905).

The only ones who profit by the law are the manufacturers using the hemp in the United States. It is a fact that this apparent benefit or bonus given to hemp shipments to the United States has not affected or increased the price of the staple which the Filipino producer receives, as the Manila price of the staple is the same for consignments to the United States as for those destined for other parts of the world.

In this connection attention is directed to the fact that the legislation on this subject was without the approval or suggestion of the insular government.

On October 5, 1904, the Philippine Commission passed Act No. 1239 amending Act No. 864, by changing the membership of the court of customs appeals and providing for appeals in customs criminal cases when a division of opinion occurred between the judges of the court.

On September 14, 1904, the Secretary of War made a ruling extending the period for the refund of duties paid on hemp exported from eighteen months to two years, and the Philippine Commission, by resolution, on an application submitted by a local export concern, held that this extension was not to be retroactive.

PORT OF MANILA.

Contrary to expectations based upon conditions which existed six or eight months ago, the general business of the port of Manila, as reflected by importations, has been in a fairly satisfactory condition, although by no means flourishing. While the fiscal year shows a net decrease of collections as compared with the corresponding period for the preceding year, the difference is inconsiderable and the causes for same readily ascertainable. Chief among these were the agitation concerning and the subsequent enactment of a new tariff law, which of course have had a direct influence on customs receipts. There has been no revival or improvement in commercial lines, and hence the importations have been limited to meet the actual wants at the present time; in other words, the lack of improvement in business centers has prevented any surplus importations which might be based upon future contingencies.

A fact, however, which may be considered significant and undoubtedly will tend to improve conditions is the increased current crops of the islands' staples, particularly sugar and rice. Especially is this true of the rice crop, which greatly exceeds that of any recent year. As was pointed out in the third special report of the undersigned, so long as it is necessary for millions of dollars to be expended annually for the purchase of rice for consumption by the natives, when this staple should not only be produced in sufficient quantities to meet the home needs, but constitute an item for export, then business conditions must be affected and the average native denied the opportunity of purchasing other articles which he may need for his personal comfort.

CUSTOM-HOUSE.

A considerable reorganization of the force of the Manila custom-house has been made for the purpose of bringing working expenses within the greatly reduced appropriation from which they will have to be met.

The consolidation of several of the smaller divisions is planned, together with a reduction in the number of the outdoor force. This step is not believed to be wholly advisable, but is rendered necessary for the reasons above stated. The force of inspectors has been reduced from 34 to 29, and the force of guards from 105 to 100. In making these reductions the best employees have been retained, and although at times the inspectors are not sufficient in number to properly discharge all vessels and check their cargoes, yet this deficiency is scarcely noticeable, due to the increased efficiency of the force, and the fact that it has been found practicable for Filipino guards to assume the responsibility of discharging bulk cargoes.

During the past year the inspectors' division has checked the discharge of 558 cargoes, of which 99,514.31 tons general merchandise were also checked at the custom-house wharf and handled by the arrastre division. The discharge of vessels is only a portion of the work of this division. The weighing of certain export cargoes is superintended and checked at the warehouses for the purpose of accurate certification. During the fiscal year of 1905 the division has superintended the lading of 167,271 tons of export cargo.

Unqualified success has been the result of the "running check system," which was adopted two years ago for the discharge of merchandise from general cargo vessels. Notwithstanding the vigorous opposition with which this measure was met and the various attempts to defeat its purposes, even to the extent of attempted boycott by the local Chinese merchants, it is now acknowledged by the public in general to be one of the most beneficial measures ever adopted at this port, and has probably had more influence in removing the complaints that Manila was one of the worst ports in the world than any other governmental measure of its kind.

In the line of economy it is proposed to consolidate the general-order stores and bonded warehouse division with the arrastre division, and to place all the warehouses in charge of well educated Filipinos who will operate under the direct and personal supervision of two or three efficient Americans who possess long and practical experience in this branch of the service. It is believed that this system will be of great benefit and that changes in the personnel will be reduced to the minimum, since

experience has demonstrated that the force of Filipino employees is not subject to the rapid changes which have heretofore been noticeable in the force of American employees.

The warehouses during the past year have been greatly improved by the addition of platforms, shielded by half-roof sheds. These platforms permit the discharge and receipt of merchandise even in rainy weather and have been important factors not only in the reduction of arrastre expenses, but also in facilitating prompt deliveries. The ravages of wind and weather are gradually telling on some of the warehouses, especially those which have been built since American occupation, and within a year or two extensive repairs will be required. Within the past year white ants have been discovered in a few of the warehouses and they have done considerable damage, especially to the supporting timbers. No damage to merchandise from this source has been reported to this office.

ARRASTRE PLANT.

Attached hereto, marked "Appendix D," is a complete report by the deputy surveyor of customs of the operations of the "arrastre system" at Manila during the past year. The report demonstrates continued and increasing good results from this undertaking.

One of the most important factors in the economical and successful conduct of this work has been the greatly increased efficiency of the Filipino arrastre laborer. A large proportion of these men, in fact a majority of them, may be considered as regular customs employees, since they apparently depend solely upon the arrastre work to earn their living. A year ago their awkward attempts to handle freight were noticeable, whereas to-day it is a positive pleasure to see them handle with ease large cases of goods, which a year ago would have required double the number of laborers.

HARBOR MASTER.

The work performed by the harbor master and his assistants in connection with the collection of license fees during the past year has been of great value. The difficult task of keeping navigation in the Pasig River free from obstruction, and doing justice to all concerned in the berthing and mooring of vessels, is one but little appreciated by the public in general, but of paramount importance to those directly involved.

The space usually allotted to steamers in the river has recently been very much restricted on account of repairs to the retaining walls on both sides of the river below the Bridge of Spain. Temporary provision has been made for small steamers by allowing them to berth in front of Fort Santiago in the place usually assigned for the exclusive use of sailing vessels. Judging from appearances, the new wall in front of the Intendencia building, on the south side of the river, is nearing completion, and when this space is made available the congestion in the river will be somewhat relieved.

This office has on several occasions invited attention to the fact that the government is appropriating to its exclusive use long stretches of wharfage which, if made available for the use of commercial vessels, would be of incalculable benefit.

CANAL.

One of the most important minor works necessary to improve the facilities for shipping at this port is the widening of the "canal" which connects the Pasig River with the inner basin of the "new harbor." This canal is, without exception, the most dangerous place in or about Manila Bay. Collisions are of constant occurrence. This canal is responsible for more damage to launches and lighters than all other causes combined at this port. The south half of the canal should be widened to correspond with the north end. It is believed that this would put an end to numerous accidents which are constantly occurring and which, as time goes on, will otherwise undoubtedly increase.

FISHING CORRALS.

This office has supervision over the fishing corrals, which are established along the beaches within the limits of the city of Manila. Formerly, during the Spanish régime, the captain of the port of Manila had jurisdiction over all corrals (weirs) established in the bay of Manila. The method of procedure in the location of fishing corrals by this office is as follows:

It is required that a written application be made in which shall be stated the exact locality desired, together with the depth of water in which it is proposed to plant the corral. If, upon application, it is found that the location will not interfere with

other corrals which have previously been established, the application is approved by this office and license issued. The original application is then delivered to the harbor master and under the supervision of his office it is located.

Corral licenses are issued for only six months, since that is the time during which they may safely be established on the east side of the bay. None, excepting such as are planted in very shallow water, are established until the month of October—most of them not until November—and they are operated during the northeast monsoon period. In the spring they are taken up and many of them transferred to the Bataan coast where fishing is followed during the southwest monsoon.

The importance of the fishing industry in the bay of Manila is little appreciated by the general public. As a matter of fact, it is one of the most valuable industries. It is impossible to give the exact value of the fish caught annually in the corrals of Manila Bay, but an approximate idea may be had from the operations of a fishing society which had its headquarters at Navotas. This company was formed originally for the purpose of marketing its products in an economical manner. It represented a majority of the corral owners of Manila, Navotas, Malabón, and other near-by villages. The value of the fish marketed annually by this society amounted to, approximately, ₱1,500,000. Add to this the immense quantity of fish caught in other corrals and in seines, it becomes easy to believe that the total value of fish caught in the bay and marketed at the port of Manila is nearly ₱3,000,000.

MANILA HARBOR WORK.

The port improvements at Manila have progressed rapidly during the past year, and a large amount of new land has been reclaimed along the "Malecon Drive." At the same time the deepening of the inner harbor has been actively proceeding so that the time is now in sight when Manila will have the best harbor facilities in the Orient.

It is believed, however, by this office that the present plan for entering the inner harbor through the existing 740-foot opening between the two breakwaters should be changed by closing up said entrance and having all vessels enter and leave the inner harbor around the southern extremity of the south breakwater. The present depth of water in the channel around the south breakwater is 28 feet at low tide, so that it would require to be dredged only a few feet to give a channel depth equal to the deepest parts of the inner harbor. This change would give a number of valuable protected berths which are at present practically useless in rough weather and would offer no inconvenience whatever to shipping. The cost of this work would be inconsiderable as compared with the benefits to be derived. Early consideration of this matter is respectfully urged.

PORTS OF ILOILO AND CEBÚ.

The gross collections of customs at the port of Cebú for the last fiscal year were \$782,787.59, as against \$634,817.09 for the previous fiscal year; while at Iloilo the figures are: Fiscal year 1905, \$531,266.01; fiscal year 1904, \$604,652.27.

A considerable item of the customs collections at the port of Cebú is represented by export duties on hemp, which are refundable. No hemp shipments are made from the port of Iloilo. At both Iloilo and Cebú there has been a large increase in exports, the gain in value for the last fiscal year over the preceding year being \$801,835 and \$1,751,519, respectively, while, on the other hand, the imports at the port of Iloilo have fallen off in value to a great extent. At Cebú, however, the value of imports for the last two fiscal years was practically the same.

PORTS OF ZAMBOANGA AND JOLÓ.

The customs business at the port of Joló, as represented by its gross receipts from that source, was about the same for the last fiscal year as for the corresponding period preceding, there being a difference, representing a decrease, of but \$775.77 for the latter period. The gross customs collections at the port of Joló for the two years were: Fiscal year 1905, \$75,300.28; fiscal year 1904, \$76,076.05.

Zamboanga is the only port that shows a decided increase of customs receipts for the last fiscal year, as a result of what may be accepted as improved trade conditions. As against \$41,120.20 for the fiscal year 1904, the gross collections at the port of Zamboanga for the last fiscal year were \$54,359.92.

PORTS OF BONGAO AND BALABAC.

These ports were originally not created for the purpose of yielding revenue, but to serve as a preventive force against possible violations of the revenue law, and it was

not expected that they would develop to any appreciable extent. However, the receipts at Balabac were several times greater than for the fiscal year 1904, and the gross receipts at Bongao were somewhat larger than those realized for the same period preceding.

PORT OF JURATA.

Acting upon the request of the Moro council, the Philippine Commission, on July 3, 1905, by Act No. 1366, established a port of entry at Jurata, on the island of Cagayán de Joló. The reasons that caused this step were similar to those relating to the establishment of ports at Bongao and Balabac, as it was believed that a port of entry at the extreme southern point of the islands might tend to promote a legitimate trade and prevent smuggling to a certain extent. A competent customs officer, a native of these islands, who, besides speaking fluently both English and Spanish, understands some of the native dialects, has been selected for the collectorship at Jurata, and is now on his way to that point. It is not to be expected that the government will receive any considerable revenue from the source of customs receipts at the port of Jurata, and it is doubtful, based upon experience derived from similar ventures at other points in the islands, if the receipts will equal the necessary expenditures.

STATISTICS.

While trade conditions and customs revenues have not been all that could have been hoped for, there is little cause, all things considered, for discouragement, and, on the other hand, there are many indications of a gradual restoration to normal conditions.

Notwithstanding quite serious ladrone disturbances in some portions of the islands, which during the past year have greatly interfered with the productive industries, exports of the two chief products, hemp and sugar, have shown a material increase, and tobacco and copra, the two next important articles of export, have suffered only a slight decline compared with the exports for the previous year. The entire volume of exports for the year 1905 exceeds the exports for the previous year by \$83,625, notwithstanding the above-mentioned troubles and a considerable decline in the volume of imports.

It will thus be seen that a healthy balance of trade in favor of the islands has been not only maintained but increased, and that, after all, is the real test of commercial prosperity.

From the standpoint of trade relations with the United States, there is the favorable showing of a very considerable increase of imports therefrom, notwithstanding the general shrinkage of about \$4,000,000 in the entire volume of import trade of these islands.

For the third consecutive year since American occupation the balance of trade continues with the islands; in other words, for the last fiscal year there were exported commodities, consisting of staples, aggregating in value a sum greater by more than \$1,000,000, United States currency, than the total value of imports for the corresponding period. An examination of the character of the exports reveals the fact that hemp shipments for the fiscal year ending June 30, 1905, were the largest in the history of the islands, and more gratifying still is the fact that of the entire value of exports of this article more than one-half went to the United States. Sugar, too, shows a material increase, the exports for the last fiscal year exceeding by more than \$2,000,000 in value those of the preceding year. If the exports of the three principal staples produced in the Philippines—hemp, sugar, and tobacco—continue to show a marked increase each year, then it may be accepted as a fact that the islands have recovered from the unsettled conditions which have existed for a period of ten years past, and are now well on the road to a permanent prosperity, which will tend to develop many of the latent resources and vastly improve the present conditions and methods prevailing with reference to the production of the important crops of agriculture.

The exports of tobacco were not as great as for the fiscal year preceding, and, as might be expected, the proportion of this staple which found its way to the markets of the United States was insignificant, in view of the prohibitive tariff in force in that country.

Next to the bare necessities of life, consisting of rice and fish, the average native requires a certain amount of cotton goods for his use and that of his family during each year, and if the manufacturing interests of the United States can command this trade they will gain an appreciable market for the outlet of the surplus supply of textiles annually manufactured there.

The increase in imports from the United States has been chiefly in the lines of cotton textiles, hardware, and machinery, the increase in the imports of cotton textiles from the United States being more than 100 per cent during the past year. Thus far this increase has been chiefly in piece goods, but it is reasonable to suppose that as the demands of this market become better understood the increase will extend to made-up articles also.

The value of cotton goods imported from the United States during the fiscal year 1904 was \$319,666, and in the year 1905 reached \$764,088, the greater part of the increase taking place during the first six months of the year 1905, or the last half of the fiscal year.

The statistical tables (in Appendix A), showing the importation of cotton piece goods under tariff paragraphs 117 and 118, during the first six months of 1902 and of 1905, respectively, quite vividly illustrate the increase in cotton textile trade with the United States.

Statistics show that the ports of Manila, Iloilo, and Joló have suffered some decline in customs receipts during the fiscal year 1905, as compared with the previous fiscal year, but that the other ports have had a marked increase in revenues.

The greatest increase, \$149,970.56, United States currency, is shown at the port of Cebú. This is accounted for to some extent by the fact that on the night of March 11, 1905, Cebú was visited by a disastrous fire, which swept over the business portion of the city and destroyed immense quantities of merchandise and supplies, which had to be promptly replaced, the result of which was a large increase in the import duty collected. The increase in import duty alone during the three months following the month in which the fire at Cebú occurred amounted to \$116,001.79, United States currency, as shown by the following table:

Import duties collected at Cebú.

Month.	1904.	1905.
April.....	\$40,685.07	\$96,194.38
May.....	29,665.04	88,650.61
June.....	38,941.38	40,898.29
Total.....	109,241.49	225,243.28

The value of the property destroyed by this fire was estimated to be above \$1,000,000, only a comparatively small part of which was covered by insurance. Immediately following the fire there was a substantial increase in export duty collected, notwithstanding the fact that a considerable amount of hemp ready for export was destroyed by the fire.

The increase at Zamboanga amounted to \$13,239.75; at Bongao to \$339.54; and at Balabac to \$2,532.75.

The decrease in total collections at Manila amounted to \$316,469.08; at Iloilo to \$73,386.26, and at Joló to \$775.77, all accounted for by decreased importations.

A complete set of comparative statistical summaries for the fiscal year ended June 30, 1905, and for the entire previous period of American occupation of these islands, together with full explanatory notes, is hereto attached, marked "Appendix A."

Great credit is due the chief of the statistical division of this office for the preparation of these data, and for the painstaking and accurate work which has made them available.

GROSS CUSTOMS RECEIPTS.

It is believed to be a fact worthy of special comment that the total collections of customs from all sources throughout the Islands for the fiscal year ended June 30, 1905, amounted to \$8,263,444.25, or a decrease of but \$170,424.01, a fraction more than two per cent, as compared with the preceding fiscal year.

ADMEASUREMENT.

The following is a statement of the vessels in the Philippine Islands admeasured during the past fiscal year:

Port.	Vessels admeasured.	Amount of fees (Philippine currency).
Aparri	241	₱908.31
Bongao	7	48.00
Balabac	18	135.00
Batangas	52	198.00
Cápiz	15	45.00
Cuyo	10	39.00
Catbologan-Samar	18	58.98
Cebu	300	2,502.40
Dumaguete	168	942.00
Iloilo	129	975.01
Joló	29	264.00
Legaspi	31	168.70
Manila	894	13,942.42
Nueva Cáceres	11	66.00
Puerto Princesa	29	139.21
Surigao	12	40.26
Sorsogón	5	37.50
San Fernando-Union	397	1,732.10
Subic-Zambales	3	7.50
Tacloban-Leyte	135	614.50
Zamboanga	81	336.00
Total (21 ports)	2,585	23,194.89

SIGNAL LETTERS AND OFFICIAL NUMBERS FOR PHILIPPINE VESSELS.

The system of signal letters and official numbers for vessels of the Philippine Islands, as outlined in the second report of this office, has been continued, and up to the present time 3,669 documented vessels have been assigned official numbers, 379 of which have also received signal letters.

Lists of the vessels to which the assignments of signal letters have been made from July 1, 1904, to June 30, 1905, have been published in customs administrative circulars Nos. 364 and 384, copies of which are hereto attached, marked "Appendix B."

Alphabetical list of vessels assigned official numbers since July 1, 1904, is attached hereto, marked "Appendix C," which, taken in connection with the list published in the previous report, makes a complete list of all vessels thus documented in the Philippine Islands up to June 30, 1905.

INTERNAL REVENUE TAXES ON MATCHES.

Under the operation of section 108 of Act No. 1189 (internal revenue law) the work of collecting internal revenue taxes on imported matches devolved upon this bureau. Suitable regulations were promulgated for the guidance of all collectors of customs, and from August 1, 1904, the date on which the law cited became effective, until the close of the last fiscal year, the following amounts were collected as internal revenue taxes on imported matches at the several entry ports.

Port.	In stamps.	In money.	Total.
Manila	₱33,600.00	₱14,886.67	₱48,486.67
Iloilo	3,396.00	1,580.00	5,276.00
Cebu	600.00	3,840.00	4,480.00
Joló		1,299.93	1,299.93
Zamboanga		60.00	60.00
Balabac		66.54	66.54
Bongao		41.33	41.33
Total	37,896.00	21,814.47	59,710.47

At first these taxes were collected in currency, and subsequently the payments were made by the presentation of duly canceled stamp vouchers representing an amount equivalent to the taxes due on a particular entry. All funds collected under this head have been accounted for pursuant to an arrangement made with the collector of internal revenue.

PHILIPPINE MARINE EXAMINATIONS.

Pursuant to section 17 of Act No. 780 of the Philippine Commission, the "Board on Philippine Marine Examinations" has been regularly convened during the past year.

Up to June 30, 1905, the following "licenses" and "certificates of service" had been issued by this board:

LICENSES.

Rank.	Citizens of the—				Total.
	Philippine Islands.		United States.		
	Original.	Re- newed.	Original.	Re- newed.	
Masters.....	10	33	11	15	69
Chief mates.....	1	3	7	2	13
Second mates.....	9	9	5	1	24
Third mates.....	17	5			22
Patrons.....	52	137	5	2	196
Chief engineers.....	26	102	5	3	136
First assistant engineers.....	20	52	4		76
Second assistant engineers.....	28	64	3		95
Engineers limited to bay and river.....	157				157
Total.....					788

CERTIFICATES OF SERVICE.

Rank.	Citizens of—				Total.
	Spain.	Great Britain.	Germany.	China.	
Masters.....	42	3	1		45
Chief mates.....	9	1	1		11
Second mates.....	1				1
Patrons.....	4				4
Chief engineers.....	29	1			30
First assistant engineers.....	8			1	9
Second assistant engineers.....	3			1	4
Total.....					104

The above shows a total of 892 licensed marine officers in the Philippine Islands on June 30, 1905.

Of these, 725 are citizens of the Philippine Islands.

PERSONNEL.

The following table of changes in the personnel of the customs service at the port of Manila during the fiscal year ending June 30, 1905, shows some improvement over previous years, but the standard of permanency desirable in a line of technical duties requiring a high degree of efficiency as well as the strictest integrity, has not yet been attained:

Separations.

Month.	Re-signed.	Dis-charged.	Trans-ferred.	Died.	Number of employees during month.	Number of separations monthly.
1904.						
July.....	12	8			615	20
August.....	16	1	2	1	625	23
September.....	12	7	3	1	613	23
October.....	23	5	2		620	30
November.....	7	4	4		617	15
December.....	10	2	3		611	15
1905.						
January.....	8	5	4	1	618	18
February.....	7	4	2		584	13
March.....	5	2	2		615	9
April.....	12	8	3		621	23
May.....	9	4	1		602	14
June.....	16	1	1	2	616	20
Total.....	137	51	27	5	7,357	220

The monthly average of employees for the fiscal year 1905 was 613. During that period the number separated from the service through resignation, discharge, transfer, or death was 220, or 36 per cent of the average monthly force. During the year the resignations alone amounted to nearly 25 per cent of the entire personnel.

These frequent changes have the effect of seriously impairing the efficiency of the service, presenting a difficulty not encountered to anything like a similar extent in the United States. The subject merits serious consideration with a view to some form of remedial action.

Chinese and Japanese immigration.

	Fiscal year.	Number of immigrants.
Chinese	1903	8,762
	1904	9,089
	1905	8,886
Japanese	1903	1,072
	1904	2,744
	1905	1,285

There has been a decided decrease in the number of Japanese immigrants arriving at ports in the Philippine Islands during the last fiscal year as against the number for the corresponding period preceding. This change is undoubtedly caused by the present war in which Japan is involved, for the statistics for the fiscal year 1904 show that Japanese immigration into the Philippine Islands had greatly increased—in fact, more than doubled that of the fiscal year ending June 30, 1903.

Under the operation of the Chinese-exclusion acts there has been, of course, no particular change in this class of immigration, and aside from the admission of the wives and minor children of resident Chinese merchants domiciled in the Philippines, the immigration of that nationality consists almost altogether of Chinese returning to the islands. In this respect Chinese immigration differs from that of any other nationality, because those who arrive from year to year have ordinarily maintained a previous residence in these islands.

The immigration records for the year show that 335 wives and minor children of resident Chinese merchants were admitted at the port of Manila, as against 245 for the fiscal year preceding, an increase of 36½ per cent. In the organic law relating to the exclusion of Chinese no provision was made for the admission of wives or minor children of resident Chinese merchants, but the Supreme Court of the United States decided that the lawful wife and minor children of a resident Chinese merchant are entitled to admission. It has been noticed that for the past year Chinese merchants have been extremely anxious to bring into these islands their children, especially boys, who previously resided in China.

The following tables show the transactions of the immigration division of the Manila custom-house for the fiscal year ended June 30, 1905:

Number of merchants' affidavits for Chinese received and indorsed	909
Number of merchants' affidavits for Chinese received and rejected	204
Total received	1,113
Number of Chinese laborers' applications received	7,583
Number of Chinese laborers' return certificates issued	7,008
Receipts for laborers' return certificates	P 35,040
Receipts for immigration dues from Chinese	32,736
Receipts for immigration dues from aliens	11,068
Total emigration and (estimated) immigration dues	78,844
Total number of passengers entered the port:	
American	13,304
British	466
German	87
French	74
Spanish	571

Total number of passengers entered the port—Continued.

Russian.....	16
Austrian.....	11
Italian.....	25
Greek.....	11
Japanese.....	1, 204
Chinese.....	8, 184
Filipino.....	1, 223
East Indian.....	209
Swiss.....	24
Korean.....	1
Others.....	144
Total.....	25, 554
Total number of ships boarded.....	591
Total number of ships with passengers.....	324
Total number of persons held for "special inquiry".....	802
<hr/>	
Number of persons deported:	
Chinese.....	40
Others.....	302
Total.....	342
Total number of landing certificates issued.....	480
Total number of certificates of residence issued.....	6
Total number of wives and minor children of resident Chinese admitted:	
Fiscal year 1904.....	245
Fiscal year 1905.....	335
Total number of Japanese admitted:	
Fiscal year 1904.....	2, 672
Fiscal year 1905.....	1, 204

SUPERVISION OF GOVERNMENT VESSELS.

It is gratifying to note that Congress has acted in line with the recommendation contained in the last special report of this office by giving the necessary customs supervision over vessels of the United States Government entering the ports of the Philippine Islands. The provision of the law is found in paragraph 393 of the tariff-revision law of 1905, and reads:

"That United States Government vessels, whether transports of the Army or naval vessels, when coming from the United States or a foreign port to the ports of the Philippine Islands, shall be subject to the same inspection by customs officers of the Philippine government, for the purpose of determining whether they have on board articles of merchandise dutiable under the laws of the Philippine Islands, as such United States Government vessels are subject to by customs officers of the United States Government when such vessels enter ports of the United States from foreign countries for the purpose of determining whether such vessels have on board articles or merchandise dutiable under the laws of the United States."

The effect of this is to make customs supervision over all incoming vessels from foreign ports uniform. Authority now exists for the proper surveillance of Government vessels in the interest of protecting the revenue.

COST OF COLLECTION.

As has been pointed out in previous annual reports, the rate of cost of collecting the customs revenues in the Philippine Islands continues to be considerably less than that prevailing at the corresponding large ports in the United States which bear a comparison with the transactions of Manila. An examination of the customs receipts and expenditures at the ports of San Francisco, Baltimore, and Chicago for the same period will afford a decidedly favorable comparison for Manila.

• PROPORTION OF FILIPINO EMPLOYEES.

The policy of the government to employ Filipinos as far as practicable in the different branches of work is illustrated in this bureau by the following table showing

the personnel of the Manila custom-house by fiscal years ended June 30 from the date of American occupation:

	Classified.						Unclassified.	Total employees.	
	Salaries over \$1,200.		Salaries \$1,200 and under.		Total classified.				
	American.	Filipino.	American.	Filipino.	American.	Filipino.	Filipino.	American.	Filipino.
1899 ^a	4	.....	16	48	20	48	.....	20	48
1900 ^a	8	.....	45	92	58	92	.....	58	92
1901	21	1	94	186	115	187	74	115	261
1902	48	2	120	204	168	206	111	168	317
1903	68	2	132	220	200	222	98	200	320
1904	75	2	144	216	219	218	178	219	391
1905	90	3	104	269	194	272	146	194	418

^a During these years United States troops were employed in customs work, hence small number of regular employees.

Of the total classified customs employees at Manila about 59 per cent are Filipinos; of the unclassified 100 per cent are Filipinos; and of the total customs employees at Manila over 68 per cent are Filipinos.

GIFTS SENT TO UNITED STATES.

Complaints have recently been received by this office of alleged cases of gross overvaluation at ports in the United States of small quantities of native textiles and other articles sent by mail as presents from people in the Philippines to friends in the mainland territory.

One instance has been reported of a waist pattern costing ₱5 on which duties were assessed amounting to \$7.20; another piece of goods costing ₱1.50 was charged \$2.40 at Philadelphia. These cases arise as a general rule under the ad valorem clauses of the United States tariff, and seem to be especially prevalent at the eastern ports.

The matter is somewhat annoying to people in these islands, who usually send these articles not by way of trade, but as gifts. It is unpleasant to have the recipient of a gift pay more in duty than the article itself is worth, and as the ad valorem rate of duty on this class of articles is not supposed to exceed 60 per cent, it would appear that there is some error in the transaction.

It is rare that such cases are of sufficient importance to warrant their submission to reappraisal, even if the recipient (often a woman) were aware of the technical right involved.

This office would be entirely willing, for the convenience of all concerned, to make collections of representative Philippine textile products, ascertain the correct market values and certify the same, and forward the sets to the Secretary of the Treasury of the United States, provided such action would be agreeable to that Department.

It is, therefore, recommended that communication be had by the War Department with the Secretary of the Treasury with a view to ascertaining whether such action by this office will be acceptable and of utility in securing correct appraisal of these native products sent from the Philippines to the United States.

This office will in return notify people residing here to include in any such packages mailed by them to persons in the United States a statement, in the nature of an invoice, showing the actual market value of the article purchased. This, together with the samples and values certified by this office to the Treasury Department should enable a more accurate appraisal to be made, thus avoiding in future such overvaluations as may occur under the present conditions.

NATURALIZATION OF ALIENS IN THE PHILIPPINES.

There are a number of aliens, principally Spaniards, at present residing in these islands and engaged in the exercise of their profession or conduct of their business, who are desirous of becoming citizens of the United States, especially certain of those aliens who are employed as marine officers in the coastwise trade. Many of these aliens have lived years in the Philippines, have here their residence, interests, and families, and are desirous of continuing here. During the period allowed by the treaty of Paris, and extended by the protocol of April 28, 1900, for the choice between continuing subjects of Spain and becoming citizens of the Philippine Islands, many

were deterred from selecting the latter merely because of the uncertainty with which, with or without reason, they believed the future status of the Philippines to be enshrouded. Having now become convinced of the purposes of the United States in these islands, they are desirous of acquiring the rights of either American or Filipino citizens here.

So, also, there are many natives of the Spanish peninsula who have at all times desired to be citizens of the Philippine Islands, but having been absent therefrom during some portion of the period covered by the treaty of Paris and the protocol above mentioned are debarred from citizenship in the Philippine Islands under the decision in the Bosque case. (1 Philippine Reports, 88.)

There is no tribunal in these islands authorized to admit aliens to either American or Filipino citizenship.

Section 2165 of the Revised Statutes of the United States prescribes that "an alien may be admitted to become a citizen of the United States" by declaring on oath, etc., "before a circuit or district court of the United States, or a district or supreme court of the Territories, or a court of record of any of the States having common law jurisdiction and a seal and clerk * * *."

Waiving the question of whether, in the absence of that portion of section 1 of the act of Congress of July 1, 1903, reading:

"The provisions of section eighteen hundred and ninety-one of the Revised Statutes of eighteen hundred and seventy-eight shall not apply to the Philippine Islands," the supreme court of these islands would be considered a "supreme court of a Territory" within the meaning of Revised Statutes 2165 et seq. is evident that the latter section does not apply to these islands under the existing laws.

It is hardly to be supposed that the present coastwise laws permitting certain aliens to serve as marine officers on Philippine vessels will continue indefinitely, hence it would seem to be simple justice to give these aliens whose career and homes are in these islands an opportunity to become naturalized either as American or Filipino citizens.

For these reasons, this office suggests that the Philippine Commission recommend to Congress the early passage of an act, substantially authorizing the supreme court of the Philippine Islands to admit aliens to become citizens of the United States under the provisions of Title XXX of the Revised Statutes, et seq., and authorizing the supreme court of the Philippine Islands and the courts of first instance (having a seal and clerk) to admit aliens to become citizens of the Philippine Islands, having all the rights of such citizens under section 4 of the act of Congress of July 1, 1902.

W. MORGAN SHUSTER,
Collector of Customs for the Philippine Islands.

APPENDIX A.

STATISTICAL REPORTS.

Amount of textiles under tariff No. 127, now No. 117, imported into the port of Manila during the first half of the calendar year 1902.

[United States currency, 6.3 per cent.]

Country.	Kilos.	Value.	Duty.
Belgium	14, 370	\$12, 670. 85	\$3, 541. 11
France	4, 416	3, 121. 95	859. 13
Germany	23, 828	14, 522. 50	5, 377. 86
Italy	30, 987	17, 284. 96	5, 664. 92
Netherlands	16, 464	11, 950. 49	3, 289. 42
Spain	143, 868	121, 311. 96	28, 580. 30
Switzerland	49, 769	41, 385. 40	10, 767. 04
England	966, 095	623, 887. 49	172, 594. 34
Scotland	88, 936	66, 666. 72	16, 294. 37
United States	113, 788	74, 214. 36	20, 875. 46
China	44, 650	23, 359. 05	6, 893. 50
East Indies (British)	301, 104	160, 145. 80	54, 874. 12
Hongkong	4, 689	2, 971. 50	794. 95
Japan	3, 646	2, 532. 82	846. 52
Total	1, 806, 610	1, 176, 024. 87	331, 053. 04

Amount of textiles under tariff No. 117 imported into the port of Manila during the first half of the calendar year 1905.

[United States currency, 80 per cent.]

Country.	Kilos.	Value.	Duty.
Belgium.....	1,880	\$1,248.49	\$385.56
France.....	5,050	4,413.92	1,036.19
Germany.....	3,051	2,468.82	525.45
Italy.....	41,314	22,920.44	7,481.99
Netherlands.....	23,854	15,688.22	4,436.72
Spain.....	155,871	132,483.28	28,402.93
Switzerland.....	40,089	33,534.10	8,162.00
England.....	1,069,225	725,619.84	183,395.27
Scotland.....	28,460	21,068.66	5,122.18
United States.....	711,767	511,624.44	127,738.15
China.....	136,313	87,096.67	21,897.80
East Indies—			
British.....	297,845	144,938.47	42,938.13
French.....	11	9.00	1.89
Japan.....	9,063	7,187.23	1,754.43
Total.....	2,523,763	1,710,301.58	432,778.69

Amount of textiles under tariff No. 128, now No. 118, imported into the port of Manila during the first half of the calendar year 1902.

[United States currency .003 per cent.]

Country.	Kilos.	Value.	Duty.
Belgium.....	870	\$1,049.18	\$277.07
France.....	576	829.34	112.22
Germany.....	4,584	4,794.25	1,812.10
Italy.....	390	251.90	58.50
Spain.....	3,027	3,040.35	1,141.69
Switzerland.....	4,828	6,268.72	1,842.55
England.....	78,143	73,512.00	26,697.68
Scotland.....	13,217	14,807.19	4,225.72
United States.....	52	81.44	17.60
East Indies (British).....	340	365.64	176.12
Hongkong.....	324	291.81	89.08
Japan.....	38	42.50	9.24
Total.....	106,384	105,274.32	36,459.52

Amount of textiles under tariff No. 118 imported into the port of Manila during the first half of the calendar year 1905.

[United States currency 14 per cent.]

Country.	Kilos.	Value.	Duty.
France.....	502	\$1,083.16	\$291.95
Germany.....	262	231.97	76.08
Switzerland.....	359	261.14	46.35
England.....	14,202	15,755.00	5,166.26
Scotland.....	584	486.65	157.68
United States.....	2,787	3,010.64	780.91
China.....	90	197.38	39.70
East Indies (British).....	79	260.29	36.00
Japan.....	8	8.00	3.89
Total.....	18,873	21,244.23	6,598.82

Should this rate of increase be maintained for any considerable length of time the final result will readily be seen, and the oft-repeated assertion that there is a field here for the extension of trade in the cotton manufactures from the United States will have been verified in the most substantial and unmistakable manner.

ILLUMINATING OIL.

There has also been a substantial growth in trade with the United States in illuminating oil, as will be seen by reference to table submitted herewith, though Russia appears to have been making some inroad of late. The illuminating oil imported from the United States in 1904 was valued at \$246,519, and in 1905 at \$443,512.

HARDWARE AND MACHINERY.

By reference to the statistical tables it will also be seen that substantial increase has been made in trade with the United States in the line of hardware and machinery; the trade in 1904 amounting to \$821,160, and in 1905 to \$1,447,387, with every indication of continued increase.

PAPER, AND MANUFACTURES OF.

In the line of paper, and manufactures of, there has also been considerable increase shown in trade with the United States, and the same is true of distilled liquors, but there has been a slight shrinkage in the importation of malt liquors from the United States, and also in flour, considerable quantities of flour having been imported from Australia during the year just closed.

As duties on exports are merely nominal, the chief source of revenue coming from duties on imports, it will be readily understood that a large shrinkage in the volume of imports and the maintenance of a heavy balance of trade in favor of products of the islands means a corresponding reduction in customs revenue, which, however, is no indication of commercial disaster or financial depression, but quite the reverse.

The measure of customs receipts is by no means the true measure for determining the degree of commercial prosperity. The relative volume of exports and imports constitute the safer guide, and the showing in that respect is steadily but surely improving, with evidence of growing realization of the fact that the productive industry is the key to permanent prosperity, it being evident that the natural resources of the islands are abundant to support in comfort at least five times the present population.

The hemp exports for the fiscal year ended June 30, 1905, have been the largest during the history of the Philippine Islands, being about three times the average value of yearly exports during the five-year period from 1890 to 1894, inclusive, under Spanish rule.

Substantial increase has also been shown in the exportation of sugar.

Copra, coffee, ylang-ylang oil have shown a decrease.

In the year 1890 the value of coffee exported was \$1,588,416, and in 1905 only \$2,552.

FRESH MEATS.

Australia practically controls the Philippine trade in the line of fresh meats, and on account of closer proximity and higher prices ruling in the United States, Australia is likely to continue to monopolize the Philippine market.

The price of mutton, pork, and hind quarters only of beef ranges from 4 cents to 6½ cents per pound, delivered in Manila in a frozen condition. The meat is of excellent quality. Nothing short of correspondingly low prices would be likely to transfer trade in this line from Australia to the United States, natural conditions being all in favor of the nearer market.

In the line of distilled and malt liquors, the United States practically controls the Philippine market, and encouraging increase is shown in the trade with the United States in the line of canned fruits, of which large quantities are consumed in the Philippine Islands, notwithstanding the abundance of native fruit of tropical varieties.

The increase in the home production of rice and the consequent reduction in the importation of this necessary article of food is an encouraging sign of the times which gives rise to the hope for still greater improvement in this respect.

There is an abundance of suitable soil in the Philippine Islands for the production of all rice necessary to supply the home demand, and the importance of giving greater attention to this productive industry should so impress itself upon the people as to encourage them to an effort in the way of industrial productive development which would entirely shut off the importation of rice.

CUSTOMS REVENUES.

The following tables show by ports the customs receipts and expenditures at all entry ports during the five fiscal years ended June 30, 1905; also gross customs receipts and expenditures by fiscal years during the entire period of American occupation and customs receipts by sources.

The tables do not include revenue derived from duties on Philippine products imported into the United States nor collections from business firms at Manila for payment for overtime of customs employees and storekeepers of bonded warehouses.

The tables are summaries of financial reports of collectors of customs sent monthly to the Secretary of War, Washington, D. C.

Customs collections at all entry ports, during five fiscal years ended June 30, 1905.

[Expressed in United States currency.]

Port.	1901.	1902.	1903.	1904.	1905.
Manila	\$7,628,006.73	\$7,250,809.85	\$7,862,271.64	\$7,131,379.86	\$6,814,910.78
Cebu	498,860.98	550,676.42	829,486.09	634,817.08	782,787.59
Iloilo	735,172.75	612,128.95	702,686.24	604,652.27	531,266.01
Jolo	87,395.22	61,674.36	74,266.57	76,076.06	75,300.28
Siassi	14,704.64	10,298.13			
Zamboanga	18,674.58	43,136.30	65,396.92	41,120.20	54,369.93
Aparri		814.11	6,599.46	1,592.41	
Puerto Princesa				1,718.77	
Cape Melville				545.28	
Bongao				1,223.00	1,562.54
Balabac				743.39	8,267.12
Total	8,982,813.85	8,528,938.12	9,540,706.92	8,493,868.26	8,263,444.25

Collections at coastwise ports are not included.

Customs expenditures at all entry ports during five fiscal years ended June 30, 1905.

[Expressed in United States currency.]

Port.	1901.	1902.	1903.	1904.	1905.
Manila	\$170,763.19	\$345,903.99	\$402,405.17	\$476,589.55	\$430,693.73
Cebu	14,255.18	23,029.99	24,129.95	31,501.13	27,566.46
Iloilo	34,095.87	47,535.69	38,335.31	30,088.84	35,268.23
Jolo	5,500.97	7,989.46	9,865.29	10,812.08	11,735.81
Siassi	2,009.24	2,123.61			
Zamboanga	4,426.44	6,252.18	9,294.35	8,982.22	7,751.61
Aparri		810.24	4,056.60	853.00	
Puerto Princesa				1,672.84	
Bongao				1,533.87	4,732.73
Balabac				1,430.26	2,540.30
Cape Melville					
Total	231,050.89	433,589.16	488,086.67	563,463.79	520,278.87

Customs collections for months of July, 1904 and 1905, by ports.

Port.	1905.	1904.
Manila	\$581,120.22	\$575,933.98
Cebu	82,512.99	38,568.66
Iloilo	60,080.85	34,146.64
Jolo	6,058.98	1,092.78
Zamboanga	7,481.91	2,817.11
Balabac	639.93	249.62
Bongao	143.18	19.26
Puerto Princesa		6.00
Total	738,018.06	652,824.06

As will be seen, the customs collections for the month of July, 1905, exceed collections for corresponding month of previous year \$85,194.01.

Customs collections for months of August, 1904 and 1905, by ports.

Port.	1905.	1904.
Manila.....	\$515,653.06	\$525,416.67
Iloilo.....	63,698.97	51,251.18
Cebu.....	76,504.28	73,924.63
Jolo.....	5,851.12	10,224.12
Zamboanga.....	6,896.83	5,896.06
Bongao.....	532.28	73.80
Balabac.....	663.37	10.62
Puerto Princessa.....		18.24
Total.....	669,799.91	666,315.31

Customs collections for August, 1905, exceed the collections for the corresponding month of the previous year \$3,484.60.

Customs collections for the first eight months of the calendar year 1905 aggregated \$5,898,524.42, and for the corresponding period of the previous year \$5,496,009.49, thus showing that the gross collections for the first eight months of the year 1905 have exceeded the collections for the corresponding period of the previous year \$402,514.93.

Refundable export duties have been collected at only two ports, as follows:

Port.	1902.	1903.	1904.	1905.	Total.
Manila.....	\$35,346.83	\$410,646.43	\$378,213.07	\$376,195.12	\$1,200,401.46
Cebu.....	35,717.86	116,281.67	84,220.76	110,380.44	346,600.73
Total.....	71,064.69	526,928.10	462,433.83	486,575.56	1,547,002.18

The total amount of refundable export duty collected on Philippine products exported to the United States for consumption there, under the provisions of act of Congress approved March 8, 1902, was, up to June 30, 1905, as will be seen by above table, \$1,547,002.18 United States currency.

CURRENCY IMPORTS AND EXPORTS.

By observing the statistical tables of imports and exports it will be seen that the importation of silver currency has practically ceased and that there has also been a great decline in the exportation of silver coin.

Ordinarily under normal conditions exports and imports of currency represent merely the balance of trade, but it has not been so in the Philippine Islands, where in former years Mexican currency was as much an article of commerce as were hemp, rice, tobacco, or cotton textiles:

Latterly, since the substitution by the Philippine government of the stable Philippine currency for unstable Mexican currency, which was such a menace to commerce, exports of silver coin have represented almost exclusively merely an exchange of the unstable for the stable currency, based upon gold, and the change has been a welcome one to all lines of legitimate business.

Gross customs receipts, by sources, three fiscal years ended June 30, 1903, 1904, and 1905, at all ports in the Philippine Islands.

Sources of receipts.	1903.	1904.	1905.
Import duty.....	\$7,678,837.18	\$6,740,117.56	\$6,664,096.98
Export duty.....	1,367,843.31	1,253,507.67	1,082,286.40
Harbor-improvement tax.....	145,006.89	137,424.17	218,441.89
Tonnage tax, coastwise.....	118,741.99	108,575.21	103,680.39
Tonnage tax, foreign.....	70,058.24	70,641.36	62,587.88
Fines and seizures.....	20,529.41	30,843.00	9,494.07
Storage and cartage.....	15,500.86	12,650.58	7,497.59
Immigration dues.....	11,983.95	20,069.00	23,420.00
Chinese certificates of residence.....	14,820.85	19,265.37	18,437.50
Chinese certificates of registration.....	1,642.02	23,503.53	463.00
Admeasurement fees.....	7,632.13	8,718.32	9,141.62
Auction sales.....	12,233.91	6,873.49	5,204.18
Various other sources.....	75,877.68	61,680.00	58,692.80
Total.....	9,540,706.92	8,493,868.26	8,263,444.25

Collections at coastwise ports are not included.

Total customs collections and expenditures at all entry ports by fiscal years during American occupation, August 20, 1898, to June 30, 1905.

Year.	Collections.	Expenditures.
1899	\$3, 106, 380. 34	\$32, 624. 24
1900	5, 542, 289. 18	103, 398. 14
1901	8, 962, 813. 85	231, 050. 89
1902	8, 528, 988. 12	433, 589. 16
1903	9, 540, 706. 92	488, 086. 67
1904	8, 498, 868. 26	563, 463. 79
1905	8, 263, 444. 25	520, 278. 87
Total	52, 468, 440. 92	2, 372, 486. 76

Collections at coastwise ports are not included, being represented in separate tables following.

Customs expenditures, itemized, for all ports, fiscal years ended June 30, 1903, 1904, and 1905.

Item.	1903.	1904.	1905.
Salaries and wages	\$417, 812. 45	\$447, 792. 15	\$454, 283. 17
Rent and supplies	31, 066. 42	19, 063. 12	16, 812. 88
Permanent repairs	31, 476. 14	29, 324. 51	17, 877. 75
Miscellaneous expenditures	8, 231. 66	67, 264. 01	31, 296. 68
Total	488, 086. 67	563, 463. 79	520, 278. 88

The following tables show the receipts and expenditures in all coast-inspection districts during the two fiscal years ended June 30, 1904 and 1905:

Fiscal year 1904.

District.	Receipts.	Expenditures.	Excess of receipts.	Excess of expenditures.
Aparri	\$4, 131. 44	\$2, 302. 43	\$1, 829. 01	.....
Batangas	3, 838. 97	3, 983. 81	.....	\$149. 84
Cápiz	1, 950. 65	2, 972. 80	.....	1, 022. 15
Catbalogan	4, 025. 10	2, 782. 87	1, 292. 23	.....
Cuyo	1, 040. 89	1, 388. 68	.....	347. 88
Cotabato	445. 11	1, 941. 51	.....	1, 496. 40
Dávao	608. 62	774. 35	.....	165. 73
Dumaguete	4, 096. 94	5, 058. 02	.....	962. 08
Subic	1, 175. 47	2, 150. 62	.....	975. 15
Legaspi	4, 306. 77	4, 426. 43	.....	119. 66
Romblón	787. 36	1, 848. 68	.....	561. 82
San Fernando	6, 231. 17	4, 706. 84	1, 524. 89	.....
San José	1, 267. 24	1, 708. 94	.....	441. 70
Sorsogón	4, 205. 19	3, 185. 98	1, 019. 21	.....
Surigao	3, 787. 02	2, 598. 04	1, 197. 68	.....
Siad	25. 80	1, 962. 37	.....	1, 937. 07
Tacloban	7, 433. 55	5, 590. 13	1, 843. 42	.....
Total	49, 350. 70	48, 822. 50	8, 706. 68	8, 178. 48

Fiscal year 1905.

District.	Receipts.	Expenditures.	Excess of receipts.	Excess of expenditures.
Aparri	\$4, 413. 98	\$2, 010. 83	\$2, 403. 15	.....
Batangas	5, 817. 61	5, 678. 02	139. 59	.....
Cápiz	418. 15	686. 86	.....	\$268. 71
Catbalogan	743. 28	1, 000. 01	.....	256. 73
Cuyo	127. 82	457. 03	.....	329. 21
Cotabato	6. 50	.....	6. 50	.....
Dávao .....	.....	.....	.....	.....
Dumaguete	8, 192. 17	7, 273. 01	919. 16	.....
Subic	179. 51	744. 00	.....	564. 49

Fiscal year 1905—Continued.

District.	Receipts.	Expenditures.	Excess of receipts.	Excess of expenditures.
Legaspi	\$5,816.18	\$4,666.00	\$1,150.18	.....
Romblón .....	.....	.....	.....	.....
San Fernando	8,065.24	5,748.25	2,316.99	.....
San José	137.28	807.79	.....	\$670.51
Surigao	471.27	443.34	27.93	.....
Siast	28.40	585.99	.....	562.59
Tacloban	18,473.21	8,975.26	9,497.95	.....
Iloilo	2,475.80	2,625.85	.....	150.05
Puerto Princesa	1,115.53	1,440.22	.....	324.69
Zamboanga	787.80	1,066.67	.....	268.87
Total	57,259.73	44,199.13	16,461.45	3,400.85

The customs collections in coastwise districts shown in the foregoing tables are not included in the tables of receipts and expenditures at entry ports.

IMPORTS AND EXPORTS.

The following tables show the imports and exports of the Philippine Islands by fiscal years during the period of American occupation to June 30, 1905, illustrating the growth and fluctuation of the import and export trade by ports, countries, and articles:

Summary of imports into the Philippine Islands, by ports, for the seven fiscal years ended June 30, 1905.

[Values represented in United States currency, gold and silver coin included.]

Port.	Twelve months ending June—						
	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	\$12,914,818	\$20,839,174	\$28,586,988	\$36,604,675	\$29,097,688	\$28,784,286	\$28,071,700
Iloilo	420,418	1,235,445	2,336,918	1,931,800	2,582,883	2,477,670	1,817,576
Cebu	302,181	850,988	1,430,363	2,124,188	2,895,092	2,662,961	2,634,413
Jolo .....	.....	84,429	326,235	249,693	274,801	269,510	274,110
Zamboanga .....	.....	14,326	80,597	156,064	249,371	152,372	187,878
Siast .....	.....	19,494	57,250	38,524	.....	.....	.....
Bongao .....	.....	.....	.....	.....	.....	2,480	4,466
Puerto Princesa .....	.....	.....	.....	.....	.....	4,315	.....
Cape Melville .....	.....	.....	.....	.....	.....	1,509	.....
Balabac .....	.....	.....	.....	.....	.....	2,478	9,845
Total	13,637,417	23,043,856	32,818,411	41,104,944	35,099,835	34,327,481	30,999,988

Government free entries are not included.

Value of imports from the United States, by ports, for the seven fiscal years ended June 30, 1905.

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	\$1,702,536	\$1,643,846	\$2,845,900	\$3,787,499	\$3,772,944	\$4,548,858	\$5,477,480
Cebu .....	.....	9,089	36,658	103,825	141,375	107,282	177,631
Iloilo	141	8,485	148,946	127,982	175,304	167,393	170,672
Jolo .....	.....	.....	2,097	3,436	4,212	4,789	8,069
Zamboanga .....	.....	.....	1,098	12,369	15,109	14,432	10,370
Bongao .....	.....	.....	.....	.....	.....	32	180
Balabac .....	.....	.....	.....	.....	.....	69	110
Puerto Princesa .....	.....	.....	.....	.....	.....	379	.....
Siast .....	.....	.....	46	182	.....	.....	.....
Cape Melville .....	.....	.....	.....	.....	.....	23	.....
Total	1,702,677	1,656,420	3,084,745	4,035,243	4,108,944	4,843,207	5,839,512

Government free entries are not included.

Summary of exports from the Philippine Islands, by ports, for the seven fiscal years ended June 30, 1905.

[Values represented in United States currency, gold and silver coin included.]

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	\$13,692,592	\$17,180,846	\$21,522,444	\$20,462,688	\$29,570,375	\$30,508,308	\$27,393,308
Iloilo	1,732,632	2,075,244	1,512,046	2,517,814	4,108,028	2,833,324	3,796,181
Cebu	616,078	2,377,506	3,093,714	3,913,297	5,614,245	3,489,224	5,663,913
Jolo		99,995	230,872	128,832	209,223	120,117	138,355
Zamboanga		4,041	25,090	108,320	172,447	77,543	110,572
Siasi		28,809	47,096	31,136			
Bongao						111	4,755
Puerto Princesa						450	
Cape Melville						1,859	
Balabac						2,254	9,725
Total	16,041,302	21,766,440	26,431,262	27,157,087	39,674,318	37,083,185	37,116,810

Government free entries are not included.

Value of exports to the United States, by ports, for the seven fiscal years ended June 30, 1905.

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	\$2,672,439	\$2,448,474	\$2,170,122	\$5,089,326	\$9,503,475	\$9,060,845	\$10,316,333
Cebu		1,178,686	312,427	2,489,017	3,104,871	1,684,567	2,914,398
Iloilo	868,455	475,627	89,472	293,354	1,254,463	354,488	2,448,144
Jolo						2,500	58,000
Zamboanga				46	250	460	
Total	3,540,894	4,102,787	2,572,021	7,871,743	13,863,059	11,102,860	15,678,875

Comparative summary of imports into the Philippine Islands, by countries, during the three fiscal years ended June 30, 1905.

[Duties and values represented in United States currency.]

Country.	1903.		1904.		1905.	
	Values.	Duties.	Values.	Duties.	Values.	Duties.
United States	\$4,108,944	\$842,568	\$4,843,207	\$849,209	\$5,839,512	\$1,105,677
East Indies, French	5,629,093	902,402	9,357,048	1,821,047	5,968,614	1,063,772
England	4,903,270	1,340,742	3,964,064	946,868	4,612,537	1,099,146
China	4,717,617	1,001,478	3,278,295	665,916	2,949,071	571,230
East Indies, British	2,237,382	563,731	2,577,440	627,405	2,007,514	592,059
Spain	2,621,196	729,471	2,017,203	652,272	1,932,078	557,982
Germany	1,998,922	556,706	1,600,878	424,512	1,498,898	389,778
British Australasia	618,140	40,795	1,101,092	55,509	1,365,662	62,435
All other Asia	633,806	87,063	1,037,584	150,981		
Japan	701,347	241,571	803,314	274,313	1,018,983	215,635
Siam					902,566	154,663
France	1,182,901	334,440	1,180,504	295,133	832,607	227,327
Switzerland	480,612	122,149	479,585	109,245	444,970	96,334
Russia	286,856	133,888	238,772	98,799	302,646	126,220
Belgium	218,985	54,181	275,262	52,464	299,155	58,043
Mexico	875,245		297,004			
Hongkong	1,574,456	206,779	770,393	108,487	244,997	59,803
Scotland	259,885	61,503	170,381	43,538	232,641	65,990
Italy	149,512	50,490	118,316	40,316	152,802	44,923
Netherlands	163,405	117,801	91,264	76,628	103,139	70,114
Austria-Hungary	105,089	32,764	92,557	32,701	94,343	27,734
East Indies, Dutch	83,105	23,038	18,309	5,741	79,175	22,553
Persia					76,179	36,337
Quebec, Ontario	7,421	4,453	8,310	4,360	20,344	11,624
Sweden and Norway	5,133	757	2,045	226	6,900	825
Denmark	6,734	766	4,699	556	5,213	316
British China	4,019	954				
Egypt	3,761	1,904	3,700	2,417	3,540	1,800
Ireland	8,577	2,336	3,516	899	3,215	498
British Columbia	7,717	3,763	213	31	1,100	606
Turkey in Asia					819	629
Turkey in Europe			2,082	1,133	386	225
Korea	276	42	247	37		
Canary Islands	295	81				
Malta					195	88
East Indies, Portuguese			194		83	24
Portugal	295		7	1	57	34

Comparative summary of imports into the Philippine Islands, by countries, during the three fiscal years ended June 30, 1905—Continued.

Country.	1903.		1904.		1905.	
	Values.	Duties.	Values.	Duties.	Values.	Duties.
Nova Scotia					\$40	\$15
Brazil	\$24	\$3				
West Indies, British	29	82	\$6	\$3		
Cuba	106	148			5	1
French China					2	
Duty on reliquidation				756		
Total	35,099,835	7,678,948	34,327,481	6,738,505	30,999,988	6,664,430
Of above—						
Free of duty	3,765,843		2,714,183		1,683,623	
Dutiable	31,333,992		31,613,298		29,316,365	

Currency is included. Government free entries are not included.

During the fiscal year 1905 the United States has been second only to French East Indies in the value of merchandise imported therefrom, and for the first time in the history of the Philippine Islands the United States stands first in the amount of duty paid on merchandise imported therefrom.

Value of merchandise (currency included) entered free of duty during the four fiscal years ended June 30, 1905, by ports.

[Represented in United States currency.]

Port.	1902.	1903.	1904.	1905.
Manila	\$10,845,244	\$3,484,926	\$2,676,118	\$1,675,182
Cebu	307,928	27,497	22,127	4,994
Iloilo	32,240	230,245	12,063	2,012
Jolo	33,777	813	664	537
Siassi	6,664			
Zamboanga	51	22,362	3,122	826
Bongao				24
Puerto Princesa			66	
Balabac			23	48
Total	11,225,894	3,765,843	2,714,183	1,683,623

Government free entries are not included.

Summary of merchandise (currency included) entered free of duty during the four fiscal years ended June 30, 1905, by countries.

Country.	1902.	1903.	1904.	1905.
Hong-kong	\$9,220,817	\$1,002,585	\$399,715	\$47,682
Chinese Empire	61,582	1,096,522	850,568	452,837
Mexico	25,000	875,245	297,004	
United States	64,310	238,158	423,626	188,923
Japan	143,879	156,076	199,709	270,689
East Indies, British	1,285,807	143,692	51,466	39,344
Australia	139,887	127,702	269,698	601,339
Spain	34,729	57,374	42,498	52,968
East Indies, Dutch	1,415	15,853	348	2,116
Siam	66	13,966	136	
England	63,037	10,970	6,337	5,317
Italy		9,295	9,028	
East Indies, French	2,008	5,967	154,924	2,966
France		5,473	4,495	10,143
Netherlands		4,464		332
Germany	19,827	1,242	2,443	2,060
Belgium	1,992	883		317
Switzerland	69	796	1,852	1,075
French China	24	327		2
Scotland	1,445	183		2
Austria-Hungary		70	142	441
British China	150,000			10,068
East Indies, Portuguese			194	
Egypt				2
Total	11,225,894	3,765,843	2,714,183	1,683,623

Government free entries are not included.

GOVERNMENT FREE ENTRIES.

Government free entries include among various other articles the following:

Cement.....	pounds..	10, 436, 186
Coal.....	tons..	154, 050
Rice.....	pounds..	3, 615, 558
Sugar.....	do.....	1, 826, 408
Timber.....	feet B. M..	1, 895, 596
Timber.....	pieces (size not given)...	623

The opening of the Luzón Sugar Refinery in March of this year has already had some influence in reducing the importation of refined sugar, and is likely to exert a still greater influence in the future. This sugar refinery is the only one in operation in the Philippine Islands, and it had been closed down for several years, in consequence of which the people of the islands depended entirely upon foreign countries for the refined sugar used here.

Machinery has recently been received and buildings are being erected for a cocoanut oil refinery, which enterprise promises to make cocoanut raising more profitable.

Building operations and harbor and street improvements in Manila during the past two years have been unprecedented in the history of the islands, and as a result importation of cement, lumber, iron, hardware, and building material has greatly increased and is likely to continue to increase for some time to come.

DUTIES ON SUPPLIES FOR THE INSULAR GOVERNMENT.

Under Act No. 875 of the Philippine Commission, passed September 9, 1903, which provides for the collection of duties on goods, wares, and merchandise imported into these islands for the use of the insular, provincial, or municipal governments, the following duties have been collected up to the close of the last fiscal year, 1905:

Fiscal year 1904	\$107, 338. 13
Fiscal year 1905	23, 581. 99
Total to June 30, 1905	130, 920. 12

It is seen that the insular government paid in duties in the fiscal year 1905 \$83,756.14 less than was paid in the previous fiscal year, the result of which reduced gross customs receipts to that extent without loss to actual net revenues, partially accounting for the apparent decrease in customs receipts in the year 1905 compared with the previous year.

The decrease in duty paid by the insular government during the fiscal year 1905 is the result of Act No. 1230, passed by the Philippine Commission September 9, 1904, amending Act No. 875, which reads as follows:

"Section 1. Section one of Act No. 875, entitled 'An act providing for the collection of duties on goods, wares, and merchandise imported into the islands for use of the insular, provincial, or municipal governments,' is hereby amended by adding at the end thereof the words 'except as hereinafter provided.'

"Sec. 2. Section two of said Act No. 875 is hereby amended by adding at the end thereof the following words: '*And provided further*, That this act shall not apply to scientific apparatus and books and other merchandise imported for the insular government or any bureau thereof, or for a provincial or municipal government, when the articles imported are of such character that local competition therefor would be impracticable and order for the same must necessarily be placed outside of the Philippine Islands. In each case of importation the collector of customs for the Philippine Islands shall determine whether the articles are or are not entitled to free entry under this proviso, subject to the supervisory direction of the secretary of finance and justice.'"

COASTWISE COMMERCE—PRODUCE AND MERCHANDISE SHIPPED.

Statement of produce and merchandise shipped from all entry ports in the Philippine Islands in vessels engaged in the coastwise trade during the calendar year 1904.

[This report covers coastwise trade only, but embraces all classes of merchandise carried between ports in the Philippine Islands on coastwise vessels.]

Article.	Ports to which shipped.			
	Balabac.	Bongao.	Cebu.	Iloilo.
Hemp.....bales.....			36,311	990
Rice.....kilos.....		7,316	43,690,279	10,300,981
Copra.....do.....		2,024	1,028,268	10,704
Tobacco.....do.....			423,511	271,285
Timber.....cubic feet.....			8,800	9,600
Lumber.....M feet.....		4		150
Coal.....kilos.....			1,071,924	233,180
Charcoal.....do.....				2,410
Firewood.....cubic feet.....			1,002	18,647
Brick.....kilos.....			10,000	518,475
Tiling.....do.....			444,025	4,445,235
Swine.....number.....			143	5
Cattle.....do.....		36	79	568
Horses.....do.....		2	218	80
Machinery.....kilos.....			4,724	43,949
General merchandise.....do.....	16,420		5,017,626	3,925,060
Miscellaneous.....do.....	7,380	27,600	4,273,559	4,991,860

Article.	Ports to which shipped.				Total.
	Jolo.	Manila.	Puerto Princesa.	Zamboanga.	
Hemp.....bales.....	7,514	2,761		1,067	48,643
Rice.....kilos.....	361,904	156,013,279	1,574	536,681	210,911,964
Copra.....do.....	260	850		32,883	1,074,489
Tobacco.....do.....	710	153,701	30	400	849,620
Timber.....cubic feet.....		20,660	107,255	6,556	147,870
Lumber.....M feet.....		427		70	655
Coal.....kilos.....		8,809,170			10,114,274
Charcoal.....do.....					2,410
Firewood.....cubic feet.....		24,645	4,720	170	49,184
Brick.....kilos.....		92,476			620,951
Tiling.....do.....	9,062	800		22,995	4,921,917
Swine.....number.....	18	1,669		359	2,194
Cattle.....do.....	148	1,150	2		1,973
Horses.....do.....	41	111		4	456
Machinery.....kilos.....		24,856			73,529
General merchandise.....do.....	147,435	28,290,589	1,200	286,770	37,685,100
Miscellaneous.....do.....	82,335	6,561,177	25,000	424,620	16,393,531

COASTWISE COMMERCE—PRODUCE AND MERCHANDISE RECEIVED.

Statement of produce and merchandise received at all entry ports in the Philippine Islands in vessels engaged in the coastwise trade during the calendar year 1904.

[This report covers coastwise trade only, but embraces all classes of merchandise carried between ports in the Philippine Islands on coastwise vessels.]

Article.	Ports from which received.			
	Balabac.	Bongao.	Cebu.	Iloilo.
Hemp.....bales.....			221,737	1,186
Rice.....kilos.....	1,258	24,978	4,541,167	2,509,741
Copra.....do.....		2,086	3,297,081	11,704
Tobacco.....do.....	500		228,966	926,460
Timber.....cubic feet.....			3,040	119,000
Lumber.....M feet.....			128	120
Coal.....kilos.....			1,400	243,000
Charcoal.....do.....				1,560
Firewood.....cubic feet.....			8,651	314,415
Brick.....kilos.....			7,000	2,600
Tiling.....do.....		62	372,668	38,778,872
Swine.....number.....			266	712
Cattle.....do.....			223	1,106
Horses.....do.....			127	179
Machinery.....kilos.....			6,218	10,006
General merchandise.....do.....	5,200	16,400	2,088,880	1,753,680
Miscellaneous.....do.....	20,240	12,190	5,160,568	4,626,731

Statement of produce and merchandise received at all entry ports in the Philippine Islands in vessels engaged in the coastwise trade during the calendar year 1904—Continued.

Article.		Ports from which received.				Total.
		Jol6.	Manila.	Puerto Princessa.	Zamboanga.	
Hemp	bales	13	952,668		480	1,176,084
Rice	kilos.	456,819	1,375,161	27,225	1,206,868	10,143,217
Copra	do.	11,806	15,439,154		7,154	18,768,985
Tobacco	do.	5,855	8,125,055	225	6,475	9,288,536
Timber	cubic feet	50	265,856		4,800	392,746
Lumber	M feet	83	8,990		573	9,894
Coal	kilos.		48,524	200,000	940,000	1,432,924
Charcoal	do.	800,000	270,156			1,071,706
Firewood	cubic feet	2,130	609,347		510	980,053
Brick	kilos.		1,000		18,500	29,100
Tiling	do.	10,900	5,850,850	735	37,340	45,046,427
Swine	number	335	15,093			16,406
Cattle	do.	36	2,601		191	4,156
Horses	do.	2	903		6	1,217
Machinery	kilos.	45	850			16,918
General merchandise	do.	135,740	495,765	90,430	520,630	5,046,575
Miscellaneous	do.	99,400	6,109,901		220,890	16,249,935

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905.

[Represented in United States currency.]

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
1	Agricultural implements:						
2	Mowers, reapers, and parts of	\$94	\$16	\$301	\$12	\$656	\$14
3	Plows, cultivators, and parts of	6,395	133	3,906	48	10,694	305
4	All other, and parts of	22,462	688	5,685	122	54,321	737
5	Aluminum, and manufactures of	2,645	123	4,060	318	5,562	557
6	Animals:						
7	Cattle	729,004		\$34,560	29,402	772,812	50,228
8	Horses	27,197	5	54,349	2,755	44,679	2,975
9	Mules	9,322		18,597	380	18,899	685
10	Hogs	3,797	458	1,436	136	550	51
11	Sheep	2,275	215	5,850	565	275	30
12	All other	8,871	213	4,072	1,099	2,162	493
13	Articles brought in baggage	2,518	10,248	617	1,366		18
14	Art works	533	147	1,373	363	3,769	1,069
15	Bones, hoofs, horns, etc.	24,111	22,393	18,415	11,401	24,406	15,996
16	Bee-keepers' supplies					8	2
17	Blacking:						
18	Stove polish	23	5	24	7	10	1
19	All other	15,486	2,747	9,396	1,281	11,180	1,572
20	Books, music, maps, etc:						
21	Books and maps for use in schools	28,844	1,424	129,092	145	89,237	49
22	All other	78,402	6,698	134,021	14,105	142,671	19,005
23	Brass, and manufactures of:						
24	Pigs and bars	12,534	1,082	10,783	1,028	4,149	330
25	Manufactures of	99,981	22,019	165,392	32,338	155,864	29,863
26	Breadstuffs:						
27	Bread and biscuits	96,035	16,168	48,696	8,787	31,940	5,947
28	Barley	219	86	616	51	106	12
29	Bran, middlings, etc.	19,231	497	46,900	1,002	43,565	914
30	Corn	47	2	578	17	1,716	38
31	Corn meal	164	16	1,066	64	887	57
32	Oats	9,655	273	46,115	1,614	56,068	1,862
33	Oatmeal	3,232	514	4,237	376	2,517	445
34	Macaroni, vermicelli, etc	71,656	26,920	77,305	28,856	86,598	33,804
35	Rye					8	
36	Wheat	90	6	87	7	24	2
37	Wheat flour	727,950	70,200	842,908	73,372	727,591	60,019
38	Preparations of	2,387	1,291	14	2	2,093	268
39	All other	26,011	6,447	27,810	5,871	25,922	3,844
40	Total breadstuffs	912,087	122,400	1,096,332	120,019	979,935	107,212

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
	Bricks:						
33	Building.....	\$3,644	\$554	\$3,182	\$199	\$1,305	\$35
34	Fire.....	2,929	201	5,200	140	7,302	195
35	Bristles.....	560	28	5,420	250	5,213	218
37	Brooms and brushes.....	17,137	3,698	9,439	1,748	11,167	2,116
38	Cider.....	1,136	183	720	130	456	77
39	Candles.....	125,265	25,385	94,714	19,466	56,294	12,927
	Cars, carriages, etc.:						
40	For steam railways.....	1,176	1	1,648	271	44,033	5,045
41	For other railways.....	3,918	588	2,820	600	60,313	2,680
42	Cycles, and parts of.....	20,170	4,643	15,800	4,518	9,348	2,005
43	All other, and parts of.....	67,276	9,041	87,916	9,148	94,113	10,291
44	Celluloid, and manufactures of.....	35,014	10,483	58,137	16,726	42,751	15,028
45	Cement.....	62,343	2,017	140,252	4,679	236,495	8,980
46	Crockery.....	454	234			539	38
362	Clays and other earths.....	5,660	794	10,916	1,810	4,569	610
	Coal and coke:						
	Coal—						
47	Anthracite.....	37,580	2,053				
48	Bituminous.....	399,499	31,185	559,256	43,662	522,127	48,502
49	Coke.....	3,177	110	2,912	107	5,721	169
	Clocks and watches:						
50	Clocks, and parts of.....	17,065	5,205	8,414	2,220	9,495	2,898
51	Watches, and parts of.....	95,317	18,715	65,129	13,039	71,451	14,238
52	Cocoa.....	198,044	35,491	178,651	35,836	149,556	33,240
53	Coffee.....	74,013	29,117	61,341	26,227	79,054	29,677
	Copper, and manufactures of:						
54	Ingots, bars, etc.....	64,667	6,500	69,298	5,929	45,110	4,066
55	Manufactures of.....	109,368	20,492	81,047	14,090	150,876	25,861
	Cork:						
56	Cork stoppers.....	16,259	1,099	14,679	908	16,259	950
57	All other.....	12,686	1,346	9,158	1,051	4,502	486
	Cotton, and manufactures of:						
58	Cotton, raw.....	66,079	1,377	42,514	646	82,911	1,650
	Manufactures of—						
	Cloths—						
59	Closely woven.....	3,620,278	1,000,021	2,433,224	689,064	3,357,606	891,842
60	Loosely woven.....	813,692	242,301	659,252	173,213	780,544	202,459
61	Wearing apparel.....	287,188	89,360	199,697	67,811	68,952	20,784
62	Carpets.....	359	138	463	260	201	126
63	Yarn and thread.....	641,163	168,573	779,910	189,981	997,519	233,034
64	Quiltings and piques.....	46,738	27,799	23,185	11,887	8,730	4,562
65	Velveteens and corduroys.....	33,317	11,552	13,785	6,836	26,600	11,317
66	Tulle and laces.....	118,098	39,291	50,470	18,876	55,161	17,346
67	Knit fabrics.....	516,219	170,942	594,308	178,740	764,109	270,747
68	Waste, cops and mill.....	9,679	397	15,636	597	11,095	342
69	All other.....	151,565	69,447	149,910	64,912	276,445	90,466
	Total cotton goods..	6,284,370	1,821,198	4,962,354	1,382,823	6,429,873	1,744,675
	Chemicals, drugs, and dyes:						
70	Acids.....	16,220	1,166	14,268	1,091	8,715	765
71	Ashes, pot and pearl.....	9,192	568	4,359	258	1,542	122
72	Copper, sulphate of.....	258	40	33	2	5,492	525
73	Dyes.....	7,840	748	9,858	1,528	6,142	1,875
74	Mineral waters.....	69,273	590	47,960	1,102	54,401	741
75	Medicines, patent.....	29,019	7,553	25,182	7,545	47,186	13,269
76	Opium.....	721,551	357,575	770,596	338,422	850,385	366,395
77	Roots, herbs, etc.....	24,494	3,371	17,470	2,796	10,960	2,200
78	Quinine, etc.....	8,327	904	5,398	1,223	10,043	1,344
79	Vanilla beans.....	181	159	218	184	41	39
80	All other.....	224,336	44,094	229,727	43,267	195,856	34,249
81	Earthen and stone ware.....	93,766	62,424	59,303	28,459	71,626	31,816
82	China ware.....	50,188	29,228	31,016	18,611	26,203	16,699
83	Eggs.....	294,414	725	282,074	699	268,224	469
	Fertilizers:						
84	Natural.....	636	5			649	5
85	Manufactured.....	25,005	181	29,560	215	28,742	162
86	Fireworks.....	14,439	18,776	4,949	5,754	1,925	1,883
87	Fans.....	23,067	10,766	11,972	5,343	21,334	9,004

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
	Fibers, vegetable:						
88	Esparto, rushes, etc.....	\$73,858	\$28,063	\$64,513	\$23,764	\$70,346	\$22,547
89	Flax, hemp, etc., raw..	512	94	155	12	996	.....
	Manufactures of—						
90	Yarns and twines..	21,437	5,838	17,570	4,915	23,991	7,264
91	Bags for sugar.....	12,609	6,808	1,627	19,125	8,017	8,017
92	Carpets.....	1,069	325	839	305	19,551	137
93	Cordage and rope....	21,899	4,644	33,627	7,322	32,563	9,024
94	Clothes and damasks	153,022	39,824	102,477	23,784	61,757	15,992
95	Velvets and plushes	173	49	13	6	2	2
96	Knitted goods.....	1,241	347	233	95	114	29
97	Tulles and laces.....	522	154	1,075	90	264	43
98	Wearing apparel....	5,987	2,558	5,396	1,424	1,496	479
99	All other.....	39,177	14,879	33,257	11,641	49,826	18,348
	Total fibers.....	257,648	75,520	194,957	51,233	261,064	81,882
	Fish, including shellfish:						
100	Fresh, other than salmon.	1,898	65	310	22	594	23
	Dried, smoked, or cured—						
101	Cod, haddock, etc..	11,867	1,006	14,387	800	11,273	605
102	Herring.....	530	82	1,032	159	810	25
103	All other.....	24,010	2,702	22,940	2,796	28,507	2,854
	Pickled—						
104	Mackerel.....	460	48	302	32	325	49
105	All other.....	8,526	1,325	4,189	480	176	15
	Salmon—						
106	Canned.....	71,971	17,554	30,019	11,086	41,603	11,717
107	All other.....	4,761	835	3,302	964	658	19
	Canned fish, other than salmon and shellfish—						
108	Caviar.....	1,177	304	1,757	217	1,856	158
109	All other.....	207,186	52,223	88,323	24,058	90,623	22,818
	Shellfish—						
110	Oysters.....	7,201	1,147	7,089	1,447	7,543	1,142
111	All other shellfish..	67,943	7,275	54,713	5,237	59,708	4,979
112	All other fish and fish products.	24,956	5,977	3,737	1,085	633	82
113	Fodder.....	14,049	210	62,718	1,490	66,748	1,675
	Fruits and nuts:						
	Fruits—						
114	Apples, dried.....	40	3	295	13	.....	.....
115	Apples, green or ripe.	5,051	.....	9,289	.....	842	.....
116	Prunes.....	56	3	225	16	151	8
117	Raisins.....	12,502	946	14,648	1,134	7,390	601
118	All other.....	60,758	1,745	63,529	716	54,960	856
	Preserved fruits—						
119	Canned.....	54,176	18,763	49,926	13,532	40,292	11,142
120	All other.....	4,715	1,384	4,489	2,088	1,129	241
121	Nuts.....	67,024	24,059	64,900	23,149	63,613	19,601
	Gums and resins:						
122	Rosin.....	974	192	1,390	111	1,385	82
123	Tar.....	5,049	274	1,807	96	2,089	65
124	Turpentine and pitch.	109	4	1,268	64	190	8
125	Turpentine and spirits of.	12,644	1,887	25,089	2,161	15,215	1,537
126	Caoutchouc and gutta-percha	83	5	1	1	.....	.....
	Glass and glassware:						
127	Glass packages, paying duty separate from contents, no value	10,357	35,074	.....	25,129	.....	23,611
128	Window glass.....	14,964	6,503	11,382	5,540	10,244	4,250
129	All other.....	251,153	91,167	176,355	68,801	124,021	55,198
130	Glucose and grape sugar.	2,769	1,637	3,227	1,037	1,743	597
131	Glue.....	16,971	2,799	11,386	2,028	12,936	2,414
132	Grease, and soap stock	2,240	86	356	2	.....	.....
133	Gunpowder.....	206	71	1,806	263	4,267	1,448
134	All other explosives.	11,610	6,604	43,138	17,126	70,188	19,197
135	Games and toys.....	130,920	21,882	97,980	17,428	75,999	13,693
136	Hair, and manufactures of.	1,059	894	2,479	710	628	279
137	Hay.....	36,782	700	76,243	1,531	80,676	1,974
	Hides and skins:						
138	Goatskins.....	629	87	321	76	14	2
139	Hides of cattle.....	48,218	4,591	9,186	827	21,260	1,019
140	All other.....	18,991	2,169	3,094	330	966	50
141	Honey.....	2,283	199	681	53	1,921	150

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
137	Hops	\$21,763	\$870	\$17,170	\$566	\$14,568	\$492
138	Hats and caps	258,189	108,827	118,862	58,815	102,612	39,041
	Ink:						
140	Printers'	2,721	265	2,288	436	1,619	170
141	All other	9,158	2,629	8,517	2,355	9,962	2,816
142	Instruments, electrical	82,282	9,335	54,582	8,418	77,636	8,122
143	Incandescent electric lamps	12,381	2,566	6,078	1,584	7,394	1,982
	Iron and steel, and manu- factures of:						
	Fine articles—						
144	Needles and pins, etc	27,419	7,544	25,396	7,387	20,282	5,094
145	All other	19,084	4,204	4,181	988	9,103	1,723
146	Pig iron	5,813	319	6,450	369	16,676	999
148	Bar iron	54,052	8,800	60,595	10,339	81,903	14,492
149	Bars and rods of steel	43,164	6,380	58,852	5,472	28,180	3,498
150	Hoops, bands, and scroll. Rails for railways—	1,126	319	1,397	161	341	46
151	Iron	10,754	568	7,508	431		
152	Steel	646	45	249,089	21,034	227,115	26,338
	Sheets and plates—						
153	Iron	224,597	33,297	237,126	37,364	246,744	41,121
154	Steel	27,834	3,378	19,681	3,163	14,372	2,314
155	Structural iron and steel	69,397	7,897	49,580	7,336	163,527	28,801
156	Wire and wire cables	19,643	1,932	34,403	3,417	40,893	3,464
157	Builders' hardware	24,213	3,872	14,989	2,481	25,160	5,046
158	Saws	6,302	898	5,934	969	3,285	478
159	All other tools	76,033	13,061	123,488	19,789	105,584	16,559
160	Car wheels	89	25	1,363	120	5,800	300
161	Castings, not elsewhere specified	26,753	3,337	24,040	2,891	66,569	13,449
162	Cutlery—						
163	Table	5,721	2,389	4,106	1,715	4,503	2,253
164	All other	60,398	19,007	67,794	19,855	46,914	15,028
	Firearms	18,458	2,421	71,118	21,729	9,962	3,146
	Total iron and steel	715,991	119,684	1,069,090	166,990	1,116,903	184,144
	Machinery and machines:						
165	Cash registers	3,053	603	2,340	467	2,510	505
166	Electrical machinery	7,378	494	19,532	1,295	184,384	19,278
167	Laundry machinery	31	6				
168	Metal working	696	203			641	64
169	Printing presses and parts	28,399	5,498	8,791	1,629	11,767	2,209
170	Pumps and pump ma- chinery	19,626	1,125	21,399	1,433	39,258	4,550
171	Sewing machines and parts	119,348	6,568	122,109	6,559	50,563	3,081
172	Shoe machinery			53	11		
	Steam engines and parts—						
173	Locomotives	3,845	355	20,143	643	22,143	577
174	Stationary	36,113	2,210	43,148	2,828	43,290	5,574
175	Boilers and parts of engines	45,183	1,985	47,617	1,996	107,686	10,251
176	Typewriter machines	20,714	4,230	48,631	9,800	34,696	6,698
177	Sugar machinery	3,693	56	17,646	298	10,455	295
369	Other machinery	219,962	31,138	285,624	35,861	266,403	31,963
370	Detached parts of	79,698	14,207	136,993	25,099	119,469	16,978
	Total machinery ..	587,629	68,668	774,026	87,919	893,195	102,023
	Nails and spikes:						
178	Cut	580	91	4,568	582	1,353	223
179	Wire	43,000	8,757	44,805	8,785	33,739	7,052
180	All other, including tacks	11,526	1,592	21,184	3,160	21,175	3,172
181	Pipes and fittings	39,534	5,302	94,566	12,762	106,656	13,593
182	Sales	24,892	4,292	13,406	2,333	10,633	1,745
183	Scales and balances	16,376	1,449	15,311	1,869	12,721	2,035
184	Stoves and ranges	5,854	837	10,022	1,440	10,412	1,286
186	All other iron and steel manufactures	456,709	146,919	375,978	63,745	439,336	66,533
	Grand total iron and manufactures of	1,902,491	357,591	2,412,986	339,543	2,646,123	381,846

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—(Continued).

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
186	Jewelry	\$217,307	\$8,648	\$258,928	\$46,027	\$160,165	\$30,600
187	Lamps	28,668	8,193	14,759	3,210	23,582	5,511
188	Chandeliers	305	51	80	17		
189	All other manufactures of gold or silver	40,946	12,152	20,432	7,575	15,112	6,026
	Lead, and manufactures of:						
190	Pigs, bars, and old	7,441	1,234	14,422	2,182	4,661	698
191	Pipe	2,080	292	3,542	533	2,695	405
192	All other manufactures of	8,631	1,930	12,729	4,029	14,544	4,833
	Leather, and manufactures of:						
	Unmanufactured—						
193	Sole leather	1,034	214	1,823	466	2,604	602
194	Upper leather	494	29			150	13
195	All other upper	1,387	200	1,135	69	5,126	298
196	All other unmanufactured	57,895	7,737	88,126	14,282	74,461	9,101
	Manufactures of—						
197	Boots and shoes	541,363	103,044	344,382	68,925	356,605	65,495
198	Harness and saddles	18,851	4,477	16,149	3,055	10,560	2,095
199	Trunks, valises, etc.	7,816	2,420	5,295	2,033	1,916	648
200	All other	57,937	12,496	35,625	9,718	41,145	9,620
201	Lime	347	15	317	12	212	6
202	Malt	37,259	16,630	51,696	23,502	31,696	14,471
	Malt liquors:						
	Beer—						
203	In wood	282	17	2,601	1,413		
204	In bottles	452,292	108,562	269,697	70,138	251,241	64,519
205	All other malt liquors	35,557	6,455	38,113	6,573	27,491	4,402
	Total malt liquors	488,131	115,034	310,411	78,124	278,732	68,921
	Marble and stone, and manufactures of:						
371	Marble, rough, in slabs or blocks	3,957	1,109	2,504	640	3,754	948
372	Marble, wrought, chiseled, etc.	2,244	207	2,928	729	1,475	416
206	Stone, paving, unwrought	961	61	619	54	1	
207	Building stone	36	10				
208	All other	10,316	3,155	9,177	865	9,294	928
209	Matches	104,735	180,687	105,866	177,215	40,486	67,419
	Metal and metal compositions:						
	Tin—						
210	In sheets, bars, and ingots	8,701	767	13,849	1,223	13,406	1,225
211	Manufactured articles, tin	44,687	9,322	35,520	6,188	37,886	6,306
373	Metal and metal compositions	6,477	1,771	2,956	306	6,075	1,087
374	Manufactures of	5,031	1,697	7,534	2,175	1,520	276
	Musical instruments:						
212	Organs	159	30	1,167	253	672	170
213	Pianos	17,119	3,225	20,091	4,455	19,690	4,010
214	All other	35,297	7,494	30,502	7,720	19,332	4,911
	Oilcloths:						
215	For floors	317	42	798	120	402	64
216	All other	31,455	3,503	24,613	2,912	36,127	4,175
	Oils:						
	Animal oils—						
217	Fish oil	2,128	800	277	57	793	121
218	Lard oil	2,792	166	4,218	599	2	
219	Whale oil			135	19		
220	All other	2,341	136	2,666	308	3,758	499
	Mineral oils—						
221	Petroleum, crude	928	322	392	11	38	
222	All other crude mineral	2,762	73	348	28	2,802	475
	Refined or manufactured—						
223	Naptha and gasoline	5,357	1,143	14,126	2,155	13,447	2,909
224	Kerosene, petroleum	652,557	271,387	485,435	186,363	792,897	341,298

a A small quantity of beer in bulk imported from Germany in iron casks included with bottled beer.

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
	Oils—Continued.						
	Mineral oils—Cont'd.						
	Refined or manu-						
225	factured—Cont'd.						
	Lubricating.						
	paraffin oil	\$24,677	\$3,333	\$48,064	\$6,040	\$37,190	\$4,315
226	Residuum and						
	mineral tar.	4,418	166	15,396	483	10,546	461
	Vegetable oils—						
227	Cotton-seed oil	28	2	24	3		
228	Linseed oil	40,989	3,883	32,668	3,570	37,142	4,604
229	Olive oil	46,977	10,757	41,835	9,431	34,064	7,493
	Volatile or essential						
	oils—						
230	Peppermint oil	989	900			3	10
231	All other essen-						
	tial oils	13,887	18,890	9,400	14,082	4,287	5,023
232	All other vegetable						
	oils	36,256	4,837	36,699	4,863	37,169	4,626
	Paints, pigments, and colors:						
233	Carbon gas and lamp-						
	black	1,686	1,556	1,238	1,864	1,799	1,509
234	Zinc and oxide of	16,946	6,242	14,586	5,513	14,549	4,980
235	All other	127,319	35,779	142,009	47,893	145,833	36,963
	Paper, and manufacturers						
	of:						
236	In sheets	12,997	3,475	3,844	835	683	77
237	All other	247,241	58,795	251,243	73,016	250,120	77,820
	Manufacturers of—						
238	Paste and carton						
	piere.	14,060	3,507	893	122	452	22
239	Wrought.	1,591	282	2,819	1,282	488	110
375	Paper for printing						
	purposes	92,269	12,493	73,820	8,496	89,571	11,393
376	Wrapping paper	6,136	4,032	26,305	7,043	55,906	17,019
377	Blank books and						
	headed paper.	29,015	3,355	26,584	2,963	30,546	4,463
378	Writing paper and						
	envelopes	76,607	10,508	74,723	10,578	71,770	11,048
379	Wall paper	880	59	322	53	146	22
380	Straw paper and						
	strawboard	19,736	4,752	24,223	3,677	11,618	3,201
381	Sand or glass paper.	2,703	261	6,030	489	8,811	472
	Total	503,235	101,519	490,806	108,554	515,061	125,647
240	Paraffin and wax.	137,430	16,561	100,637	9,710	59,341	9,874
241	Perfumery and cosmetics	83,308	40,110	75,474	33,620	67,677	29,960
242	Plated ware	67,582	19,740	77,519	28,286	36,382	12,029
	Provisions:						
	Beef products—						
243	Beef, canned	20,686	3,960	23,433	5,460	11,505	2,643
244	Beef, fresh	82,155		204,262		491,289	
245	Beef, salted or pick-						
	led	838	55	499	25	461	30
246	Beef, cured	811	2	426	29	421	16
247	Beef, jerked	313	29	85	4		
248	Beef tallow	3,101	124	1,508	57	6,603	307
	Hog products—						
249	Bacon	7,768	910	11,135	1,181	20,649	2,397
250	Hams and shoulders	155,130	21,089	167,181	20,208	148,914	19,998
251	Pork, canned	10,062	1,236	14,635	1,778	1,625	242
252	Pork, fresh	5,728		7,642		24,928	
253	Pork, salted or pick-						
	led	1,204	105	231	10	145	13
254	Lard	185,894	20,305	262,140	27,208	197,988	21,967
255	Lard products and						
	substitutes for	2,501	314	6,059	818	10,804	1,660
256	Mutton	4,614		18,264		31,239	
257	Oleomargarine	6,638	1,115	330	60	819	134
258	Imitation butter	55,220	8,801	31,895	5,169	23,714	4,066
259	Poultry and game	13,390	1,131	9,624	1,047	4,478	569
260	All other	127,110	20,872	95,181	15,921	95,042	12,450
	Dairy products—						
261	Butter	48,401	4,419	56,583	5,918	82,736	8,907
262	Cheese	43,959	4,595	38,518	4,071	46,668	4,700
263	Milk			2,494		3,778	
264	Condensed milk	247,366	35,510	251,261	36,841	233,667	33,494
265	Rice	10,061,323	1,535,593	11,548,814	1,650,720	7,156,738	1,311,496

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
266	Rubber:						
	Belting, hose, and bag-						
	ging	\$13,097	\$2,024	\$31,252	\$2,545	\$31,837	\$2,524
267	Boots and shoes	13,556	2,806	7,150	1,549	8,827	1,820
268	All other	63,244	8,875	70,096	8,689	56,194	6,099
269	India rubber, scrap and						
	old	2		34	5	16	3
270	Samples with commercial						
	value	3,636	2,172	378	386	149	17
271	Salt	20,985	11,164	5,176	1,681	5,109	1,475
	Seeds:						
272	Cotton seed	940	19	10		14	
273	Clover seed	5	1				
274	Flax and timothy seed ..	350	22	20	1		
275	All other	10,345	950	7,574	518	4,798	234
276	Shells and mother-of-pearl.	22,191	6,423	15,366	4,783	16,454	4,997
	Silk, and manufactures of:						
277	Raw	75,144	22,419	590	142	84	39
	Manufactures of—						
278	Yarn and thread	111,683	28,708	238,228	59,193	161,341	40,386
279	Velvets and plushes ..	40,958	18,467	25,510	11,473	59,670	26,865
280	Tulles and laces	76,888	33,315	29,309	13,206	23,373	10,504
281	Knit fabrics	1,872	814	2,022	851	1,978	776
282	All other	359,376	150,868	250,381	112,106	234,275	104,517
	Total	665,871	254,591	546,040	196,970	480,721	183,086
	Spices:						
283	Pepper	12,338	2,784	12,807	2,983	8,974	2,144
284	All other	7,940	2,765	6,828	2,390	5,712	1,745
	Soap:						
285	Common	8,499	1,316	10,837	1,313	14,716	1,420
286	All other	29,472	7,710	23,947	6,134	29,703	7,840
287	Spermaceti and spermaceti						
	wax	6,670	1,154	768	125	4,636	652
	Spirits, distilled:						
288	Brandy	33,285	23,023	22,396	13,352	26,468	14,622
	Whisky—						
289	Bourbon (Scotch) ..	41,825	26,551	16,172	11,188	4,144	2,673
290	Rye	101,717	58,293	82,542	42,176	79,966	47,864
291	All other distilled ..	130,854	168,468	106,468	145,144	159,698	161,446
	Total spirits	307,681	276,335	227,578	211,860	269,706	226,595
292	Starch	4,072	1,211	4,365	1,808	4,625	2,000
293	Stereotype and electrotype						
	plates	260	93	7	1		
294	Straw and palm leaf	2,897	5,597	437	2,541	500	1,834
	Sugar and molasses:						
295	Molasses	444	70	666	82	780	102
296	Sirup	3,652	426	4,998	304	3,003	216
297	Sugar, raw	329	184				
298	Sugar, refined	144,966	74,101	194,661	90,504	159,741	63,994
299	Candy and confection-						
	ery	42,473	15,225	27,400	10,643	21,951	8,223
300	Tea	46,777	41,417	36,601	30,642	37,957	27,996
301	Trees, plants, and moss ..	755	2	928		1,195	
	Tobacco, and manufactures						
	of:						
	Unmanufactured—						
302	Leaf	3,206	2,434	2,646	3,079	5,627	4,674
303	All other	107	178	106	120	90	102
	Manufactures of—						
304	Cigars	1,194	342	516	71	275	339
305	Cigarettes	5,430	8,668	5,066	5,274	3,616	3,165
306	Plug (chewing) ..	39	150	34	74	10	19
307	Powder and snuff ..	8	22	98	303	542	1,033
308	All other	1,583	2,259	4,260	10,018	4,739	11,653
310	Varnish	11,715	1,892	17,802	2,906	13,313	1,853
	Vegetables:						
311	Beans and pease	85,616	16,036	70,909	9,525	67,130	9,515
312	Onions	91,218		105,109		92,872	
313	Potatoes	128,579	10	173,327		201,433	
314	Vegetables, canned ..	103,700	21,179	71,774	15,406	59,182	13,126
315	Dried pulse	9,868	1,857	8,455	1,074	2,105	237
316	All other	99,530	34,803	73,264	23,455	98,960	27,177
317	Vinegar	3,093	1,643	1,514	971	2,192	809
	Vessels:						
318	Steam	24,705	1,505	18,324	231	72,063	283
319	Sailing	17,415	2,121	19,503	2,096	16,502	3,489

Comparative summary of merchandise, gold, and silver imported into the Philippine Islands during the three fiscal years ended June 30, 1905—Continued.

No.	Articles.	1903.		1904.		1905.	
		Value.	Duty.	Value.	Duty.	Value.	Duty.
320	Whalebone.....	\$34	\$1	\$281	.....	\$8	.....
321	Walking sticks, umbrellas, etc	29,582	11,625	11,492	\$5,298	9,026	\$3,536
	Wines:						
322	In bottles.....	55,224	35,374	29,364	19,944	29,882	20,234
323	In other coverings.....	154,419	102,802	202,458	110,524	126,493	80,335
324	Sparkling liquors.....	49,269	36,095	34,841	16,488	36,713	17,901
	Total wines.....	258,912	174,271	266,663	146,956	193,088	118,470
	Wood, and manufactures of:						
	Unmanufactured—						
	Timber—						
325	Pine wood, un- planed	4,146	40	.....	.....	.....	.....
326	Sawed	2,405	22	.....	.....	.....	.....
327	Hewn	2,480	18	709	8	.....	.....
328	Logs and other. Lumber—	7,113	69	80,640	1,360	96,117	2,587
329	Boards, deals, and planks...	172,645	6,232	250,803	9,069	334,832	12,249
330	Joists and scant- lings	345	6	18,008	227	.....	.....
331	Shingles.....	196	19	.....	.....	905	45
	Shooks—						
332	Box	8,983	382	31,435	1,448	4,560	121
333	All other	2,695	159	4,171	130	948	30
334	Staves	1,212	69	4,186	144	465	20
335	Heading .....	.....	.....	842	20	.....	.....
336	All other	9,055	1,308	2,249	249	6,536	1,429
	Manufactures of—						
337	Ordinary cases in which imported goods are packed.	2,956	14,551	.....	25,416	.....	32,349
338	Doors, sashes, and blinds	581	135	7,700	2,715	464	296
339	Furniture, not else- where specified ..	72,668	24,942	86,090	26,553	67,315	17,253
340	Hogsheds and bar- rels, empty	505	16,441	699	8,412	57	121
341	Trimnings and moldings.....	14,371	13,089	8,029	6,858	3,493	2,188
342	Woodenware.....	15,179	5,436	4,466	2,898	7,508	2,286
344	All other	79,096	28,942	96,967	24,064	78,539	20,764
	Wool, and manufactures of:						
345	Raw	7,425	484	4,641	230	7,976	513
	Manufactures of—						
346	Carpets	3,986	1,895	4,023	1,410	2,511	878
347	Flannels and blan- kets	10,686	4,307	15,377	5,384	20,236	7,061
348	Wearing apparel ..	36,706	12,613	41,920	15,113	23,821	8,349
349	Woolen yarn	3,192	1,206	4,277	1,041	3,957	1,886
350	Cloth, spun or twilled	116,057	40,583	123,105	43,006	50,961	17,865
351	All other manufac- tures of	111,181	35,663	88,086	30,942	73,997	25,774
	Total wool	289,182	96,251	281,429	98,126	183,459	62,315
352	Zinc, and manufactures of.	20,466	5,062	22,450	5,375	21,222	5,615
	Gold and silver:						
	Gold—						
353	In ore	222	6	.....	.....	2,699	.....
354	In bullion .....	.....	.....	.....	.....	82,550	.....
355	Gold coin	57,985	.....	1,772	.....	.....	.....
	Silver—						
356	In coin	1,933,435	.....	1,080,947	.....	694	.....
	Philippine currency	.....	.....	.....	.....	196	.....
	Spanish-Philippine paper money .....	.....	.....	1,411	.....	.....	.....
	Copper coin .....	.....	.....	.....	.....	12,500	.....
	United States currency	.....	.....	.....	.....	25,000	.....
359	All other articles not else- where specified	228,654	110,996	104,989	29,394	113,168	33,914
	Grand total, importa- tions.....	35,099,842	7,678,948	34,327,481	6,736,50	3,999,988	6,664,430
	Of above, free of duty	3,765,843	.....	2,714,183	.....	1,683,623	.....

Export and import values for period of American occupation (currency included).

Total value of imports, August, 1898, to June 30, 1905.....	\$211,031,930
Total value of exports, August, 1898, to June 30, 1905.....	206,220,404
Excess of imports over exports.....	5,811,526

Export and import values for period of American occupation (currency excluded).

	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Imports	\$13,116,567	\$20,601,436	\$30,276,200	\$32,029,357	\$32,978,445	\$33,221,251	\$30,879,048
Exports	14,640,162	19,821,347	23,222,348	24,544,858	33,150,120	30,226,127	32,355,865
Total imports, period of occupation to June 30, 1905, exclusive of currency							\$193,102,304
Total exports, period of occupation to June 30, 1905, exclusive of currency							177,960,827
Excess of imports over exports							15,141,477

NOTE.—The foregoing tables showing, by ports, the value of commodities imported to and exported from the Philippine Islands, by fiscal years, during the period of American occupation, are summaries of monthly reports on Forms 3 and 4, division of customs and insular affairs, fractions of dollars and government free-entry merchandise not included.

Comparative summary of exports (currency included) from the Philippine Islands during the four fiscal years ended June 30, 1905.

[Values represented in United States currency.]

Country.	1902.	1903.	1904.	1905.
United States	\$7,871,743	\$13,803,069	\$11,102,860	\$15,678,875
England	8,280,478	8,799,329	10,253,615	8,668,823
Spain	869,875	757,500	1,155,866	1,436,627
Hongkong	5,799,123	7,303,234	7,166,143	6,116,737
Japan	1,346,517	1,750,366	1,204,514	548,607
France	965,828	3,684,116	2,127,365	1,491,753
East Indies (British)	672,614	994,400	1,518,233	723,490
British Australasia	436,580	336,351	441,114	442,922
Chinese Empire	295,322	649,502	1,213,399	1,521,087
British Africa	122,073	12,092	52,458	830
French China	120,180	93,333	110	275
Austria-Hungary	88,787	162,197	253,453	37,282
Germany	75,626	306,664	107,144	130,118
British China	55,191	394,258	291	20
Belgium	46,829	137,103	55,264	43,720
East Indies (Dutch)	27,442	25,198	30,458	24,132
Netherlands	20,212	44,061	209,763	73,032
Italy	17,830	13,177	32,249	59,316
Quebec, Ontario, etc.	7,679	6,157	8,475	7,102
Gibraltar	6,812	9,499	8,874	5,831
Russia	12,128	28,147	.....	3,230
Scotland	3,721	2,787	3,065	3,465
Hawaiian Islands	3,687	5,910	1,130	3,105
British Columbia	3,648	2,030	2,618	3,467
All other Asia	3,265	128,332	7,137	3,133
Guam	2,481	.....	.....	887
German Oceania	1,934	.....	.....	.....
East Indies (French)	1,578	109,317	9,419	11,305
Korea	1,400	710	368	2,080
Aukland Islands	1,310	130	545	1,819
Uruguay	1,246	2,700	5,725	7,040
Switzerland	1,008	457	218	843
Russian China	905	578	2,443	.....
Turkey in Africa, Egypt	889	1,952	2,041	20,092
Guatemala	411	.....	.....	.....
Canary Islands	321	4,128	2,382	760
Argentine Republic	150	599	1,382	5,670
Aden	140	718	622	740
Bermuda	119	.....	150	.....
Malta, etc.	48	2,970	1,950	1,695
Greece	7	.....	.....	.....
Nova Scotia .....	.....	4,684	7,304	20,141
Paraguay .....	.....	480	111	.....
East Indies (Portuguese) .....	.....	163	.....	2,940
Spanish Africa .....	.....	900	1,786	.....
Spanish Oceania .....	.....	30	.....	.....
Portugal .....	.....	24,775	40,481	7,900
French Africa .....	.....	1,035	78	.....
Mexico .....	.....	.....	180	.....
Denmark .....	.....	.....	200	4,975
German Africa .....	.....	.....	134	.....
Sweden and Norway .....	.....	.....	93	.....
All other Africa, Morocco .....	.....	.....	.....	444
Total	27,157,087	39,674,318	37,033,185	37,116,810

Chief articles of imports, by values.

Articles imported from—	1900.	1901.	1902.	1903.	1904.	1905.
Flour:						
All countries.....	\$399,408	\$501,199	\$685,970	\$727,960	\$842,908	\$727,591
United States.....	38,707	356,193	642,672	686,291	833,056	613,987
Cotton goods:						
All countries.....	5,925,146	9,441,047	6,965,978	6,284,370	4,962,354	6,336,962
United States.....	34,488	94,665	167,887	389,303	319,666	764,088
Malt liquors:						
All countries.....	638,416	1,042,594	547,517	488,131	310,411	278,732
United States.....	477,665	855,306	466,257	397,382	221,632	215,895
Distilled spirits:						
All countries.....	304,807	411,859	510,258	307,681	227,578	269,706
United States.....	177,075	218,767	238,131	120,656	84,977	102,499
Manufactures of paper:						
All countries.....	461,619	474,994	668,705	503,235	490,806	515,061
United States.....	54,440	77,192	280,192	134,701	102,864	141,232
Illuminating oil:						
All countries.....	160,964	451,349	497,639	652,557	485,435	792,897
United States.....		22,748	213,312	325,676	246,519	443,512
Iron and steel and manufactures of:						
All countries.....	716,190	1,861,948	2,068,110	1,902,491	2,412,936	2,646,123
United States.....	88,527	287,957	431,888	465,720	821,160	1,147,387
Total imports:						
All countries.....	23,043,856	32,818,411	41,104,944	35,099,835	34,327,481	30,999,988
United States.....	1,666,420	3,034,745	4,035,243	4,108,944	4,843,207	5,839,512

Chief articles of exports, by values.

Articles exported to—	1900.	1901.	1902.	1903.	1904.	1905.
Hemp:						
All countries.....	\$11,393,883	\$14,453,110	\$15,841,316	\$21,701,675	\$21,794,960	\$22,146,241
United States.....	3,446,141	2,402,867	7,261,459	12,314,312	10,631,591	12,964,515
Sugar:						
All countries.....	2,999,161	2,293,058	2,761,432	3,955,828	2,668,507	4,977,026
United States.....	21,000	93,473	293,354	1,335,826	354,144	2,618,487
Copra:						
All countries.....	1,690,897	2,648,305	1,001,656	4,472,679	2,527,019	2,095,352
United States.....		4,450	7	9,173	9,231	14,425
Tobacco and manufactures of:						
All countries.....	2,175,762	2,217,728	3,501,467	1,881,758	2,013,287	1,996,038
United States.....	1,892	5,027	8,615	46,162	1,857	6,820
Total exports:						
All countries.....	21,766,440	26,431,262	27,157,087	39,674,318	37,033,186	37,116,810
United States.....	4,102,787	2,572,021	7,871,743	13,868,059	11,102,860	15,678,875

Rice imported into the Philippine Islands during the fiscal year 1905, by ports.

Port.	Pounds.	Value.	Duty.
Manila	344,027,583	\$4,504,494	\$797,446
Cebu	143,835,971	1,947,769	335,505
Iloilo	66,092,797	863,252	153,830
Jolo	4,946,934	77,172	13,614
Zamboanga.....	4,170,239	59,786	10,460
Bongao	139,560	2,908	406
Balabac	72,262	1,357	235
Total	563,285,346	7,466,738	1,311,496

OPIUM IMPORTS.

As the opium question has elicited much attention lately, it seems in place and timely to give some detailed statistics concerning the traffic.

The following table shows the quantity imported each year during the period of American occupation, together with the value thereof and the duty collected thereon.

Statement of opium imported into the Philippine Islands during the fiscal years 1899, 1900, 1901, 1902, 1903, 1904, and 1905.

[Value and duty represented in United States currency.]

Year.	Pounds.	Value.	Duty.
1899.....	17, 477	\$255, 310	\$64, 586
1900.....	152, 517	476, 244	132, 392
1901.....	221, 683	619, 338	187, 020
1902.....	285, 443	819, 625	263, 406
1903.....	259, 473	721, 561	357, 575
1904.....	249, 770	770, 596	338, 422
1905.....	268, 128	850, 351	366, 898
Total	1, 454, 490	4, 513, 045	1, 710, 294

As will be seen, the highest point was reached during the year just closed. In the year 1905 the value and duty of opium imported aggregated \$1,217,274 United States currency. During the period of American occupation the aggregate value and duty of opium imported reached the enormous sum of \$6,223,339 United States currency, or about \$1 per each man, woman, and child in the Philippine Islands, the value and duty for the period of seven years being as great a tax upon the people as the entire amount of duty collected from all other commodities during one average year. As there are only a few more than 50,000 Chinese inhabitants in the Philippine Islands, even the possibility of the sale having been confined to Chinese consumers is precluded, as if that were the case the tax would have amounted to more than \$24 United States currency annually per Chinese inhabitant.

On November 15, 1901, the new tariff, which increased the rate of duty on opium 50 per cent, went into effect, but, as the statistics show, had no effect in the way of reducing the importation, which continued to increase notwithstanding the increased duty; but through the increase in the rate of duty the customs revenues were increased up to June 30, 1905, \$364,460.67.

Again, May 3, 1905, the new tariff increased the rate of duty on opium from \$3 and \$3.50 to \$4 and \$5 per kilogram, respectively, for crude and prepared. It is improbable that this second increase in rate of duty will have any appreciable effect upon the quantity imported, though it is too early for the effect to be shown in the statistics.

The value of opium imported during the period of American occupation and for the year 1905 has been greater than the value of wheat flour, malt liquors, paper and manufactures of, distilled spirits, or illuminating oils, and is next in value to the value of rice and cotton manufactures, thus being third in the list of imports.

It is apparent that with free trade established between the Philippine Islands and the United States, the import trade in many important lines would immediately be diverted to the United States, with beneficial effect upon the people of the Philippine Islands and of the United States, thus promoting commercial interest of both sections.

The following table shows the tobacco exported from the port of Manila during the first six months of the year 1905, by grades, and gives the average price per pound of each of the grades:

Tobacco exported first six months 1905.

	Duty per 100 kilos.	Pounds.	Value.	Duty.	Average price per pound.
Tobacco grown in the provinces of Cagayan, Isabela, and Nueva Viscaya, Luzon.....	\$1. 50	3, 211, 549	\$295, 551. 40	\$21, 896. 98	\$0. 092
Tobacco grown in the Visayas and Mindanao Island	1. 00	122, 688	6, 096. 85	567. 67	. 049
Tobacco grown in other provinces .....	. 75	1, 545, 260	69, 936. 47	5, 267. 95	. 045
Total		4, 879, 497	371, 584. 72	27, 722. 60	. 076

Tobacco exported during July, 1905.

	Duty per 100 kilos.	Pounds.	Values.	Duty.	Average price per pound.
Tobacco grown in the provinces of Cagayán, Isabela, and Neuva Viscaya, Luzón.....	\$1.50	1, 229, 349	\$101, 616. 25	\$5, 381. 95	\$0.082
Tobacco grown in the Visayas and Mindanao Island.....	1.00	236, 663	11, 760. 00	1, 075. 74	.049
Tobacco grown in other provinces.....	.75	2, 410, 348	114, 420. 74	8, 217. 10	.047
Total.....		3, 876, 360	227, 796. 99	17, 673. 79	.058

NOTE.—Prior to January 1, 1905, no statistical record was kept of the relative quantities of the different grades of unmanufactured tobacco.

CIGARS AND CIGARETTES EXPORTED ON PERMITS.

In addition to the quantity of manufactured tobacco regularly exported, as shown by export entries and reported as exports, considerable quantities of cigars and cigarettes have been taken on board vessels destined for foreign ports upon permits upon which a fee of ₱0.50 per thousand for cigarettes and ₱1 per thousand for cigars has been charged.

During the past five months a statistical record of cigars and cigarettes so sent has been kept, from which it is shown that during the said period 276,684 cigarettes and 787,872 cigars have been exported from this port of Manila in this way.

Assuming that for the previous seven months the quantity thus exported was approximately in same proportion, the quantity exported during the fiscal year would be 663,970 cigarettes and 1,890,893 cigars, the aggregate market value of which would be approximately \$20,128 United States currency.

The monthly average of cigars thus sent is about 150,000 and of cigarettes about 50,000.

In addition to the foregoing, a great many cigars and cigarettes are taken on board of outgoing vessels in small quantities for personal use of passengers, and also a great many are sent in small quantities by mail which do not appear on customs records.

Generally the cigars and cigarettes taken on board in this manner are of better grade and higher market value than the average of cigars and cigarettes regularly exported, as shown by export entries.

Exports, by articles, during three fiscal years ended June 30, 1905.

[Value and duty represented in United States currency.]

Articles.	1903.		1904.		1905.	
	Value.	Duty.	Value.	Duty.	Value.	Duty.
Animals:						
Horses and mules.....	\$1, 280	\$11	\$2, 510	\$26	\$1, 280	\$6
All other.....	92		3, 533	4	437	2
Animal products.....	8, 383	19				
Bamboo, and manufactures of:						
Hats.....					79, 500	20
Mats and mattings.....					1, 099	24
All other.....					38	
Bejuco, and manufactures of:						
Bejuco.....					673	10
Hats.....					6, 854	1
Furniture.....					50	
All other.....					9	
Books, maps, and engravings....	2, 122	1	4, 755	1	3, 865	3
Burl, and manufactures of:						
Hats.....					17, 760	4
Mats.....					1, 049	20
Cacao.....	11		109		210	
Coffee.....	1, 378	2	2, 793	6	2, 552	6
Chemicals, drugs, dyes, etc.:						
Indigo.....	11, 878	217				
Tintarron.....			1, 940	42		
All other.....	3, 355	10	2, 833	3	741	
Copper, and manufactures of:						
Old copper.....					47, 966	200
All other.....	12, 070	65	26, 119	130	23	
Earthenware, stone, and china..	207	1	559	3	104	2
Fertilizers.....			1, 232	61		

Exports, by articles, during three fiscal years ended June 30, 1905—Continued.

Articles.	1903.		1904.		1905.	
	Value.	Duty.	Value.	Duty.	Value.	Duty.
Fibers, and manufactures of:						
Hemp.....	\$21,701,575	\$1,065,062	\$21,794,960	\$1,051,855	\$22,146,241	\$963,046
Maguoy.....					188,219	1,295
Cotton, raw.....					357	2
All other unmanufactured.....	173,776	1,576	161,634	1,205	125	
Bags.....	504	9	4,955	51	47,049	491
Cordage.....	7,771	193	30,767	1,011	19,804	701
Twine.....	385	20			3,382	89
Just textiles.....					387	
Sinamay textiles.....					5,856	44
All other manufactures.....	18,201	160	7,258	30	3,797	54
Fish:						
Trepang.....	6,856	36	4,517	26	9,335	54
All other.....	12,648	45	30,654	99	3,202	28
Fruits and nuts:						
Bananas.....			1		919	52
Cocoanuts.....	63	1	963	323		
Copra.....	4,472,679	151,390	2,527,019	94,935	2,095,352	65,866
Betel nuts.....					400	16
Candle nuts.....			8			
All other nuts.....	584	21	1,949	37	53	2
All other fruits, green, ripe.....	409	4	5,534	42	9,910	128
Gums and resins:						
Almaciga.....	7,302	57	47,051	407	27,561	282
Copal.....	41,186	345	33,454	274	14,017	173
Glue.....	12,618	71	10,211	95	11,840	82
Pitch.....	651	6	352	1	1,500	14
Gutta-percha.....					1,381	5
Rubber.....					93	
All other.....	111,872	298	24,109	38	24,523	82
Glass and glassware:						
Empty bottles.....					1,910	104
All other.....	724	58	3,842	158	30	1
Grease.....	618	6	70	1		
Hats, all other, not elsewhere specified.....					23,013	5
Hides:						
Hides of cattle.....	46,023	208	47,127	239	2,066	15
Hides of carabao.....					22,875	
All other.....	29,622	118	325	1		
Horns, bones, and hoofs.....	1,101	20	3,838	14	1,329	12
Iron ore.....	165	5	100	3		
Scrap iron.....	2,746	197	3,766	262	8,524	819
Pearls.....					75	
Other jewelry and precious stones.....					4,000	
Knitted goods.....	300		56			
Leather:						
Unmanufactured.....	6,784	52	4,223	39	1,715	14
Manufactures of.....	119		1,519	1		
Iron and steel, and manufactures of.....	18,084	57	31,494	135	445	
Metal, compositions and manufactures.....	5,716	39	9,690	40		
Oils:						
Olive oil.....	140		48			
Animal oils.....	40					
Cocanut oil.....	355	3	73	1		
Candlenut oil.....			1,804	31		
Ilang-ilang oil.....	104,139	14	103,247	14	100,349	13
All other.....	2,300	96	2,424	14	87	
Paraffin and wax:						
Paraffin and stearin.....	1,125	1	13,794	24		
Beeswax.....					5,740	9
All other.....					1,055	2
Perfumery and cosmetics.....	3,278		1,275		886	1
Meats, salted, pickled.....			23			
Cheese.....	28					
All other meat and dairy products.....	2,151	2	1,114	4	5	
Rice husks.....					7,068	501
Straw manufactures, hats.....	137,369	36	84,625	35	32,527	6
Seeds:						
Ajonjolli.....	7,428	169	26,888	480	5,055	82
Sesame.....			175	5		
All other.....	3,988	71	2,560	43	13,028	199
Shells:						
Mother-of-pearl.....	89,585	157	80,932	125	92,608	176
Tortoise shell.....	6,343	5	8,600	4	12,392	3
All other.....	25,025	124	14,866	88	11,832	115
Silk, manufactures of.....	1,684		154			
Soap:						
Common.....	54	1	41		23	
All other.....	34					

Exports, by articles, during three fiscal years ended June 30, 1905—Continued.

Articles.	1903.		1904.		1905.	
	Value.	Duty.	Value.	Duty.	Value.	Duty.
Spices.....	\$10					
Starch.....			\$30			
Salt.....	42		58	\$7	\$21	
Spirits and wines:						
Rum.....	21		4,542	9		
All other distilled.....	20,162	\$117	1,639	4	384	\$4
Wines.....	713	1	988	1	30	
Molasses.....			21		335	7
Sugar:						
Raw or brown.....	3,955,828	140,927	2,668,507	94,153	4,977,026	142,220
Refined.....	2,380	31	18			
Candy and confectionery.....	1,128	11	2,957	10	2,725	4
Tobacco:						
Unmanufactured.....	902,610	120,206	1,021,949	115,955	1,005,404	101,175
Stems and trimmings.....					120	14
Cigars.....	947,144	19,517	968,869	18,300	968,022	16,952
Cigarettes.....	20,699	520	12,586	405	16,404	595
Plug.....			218	11		
All other.....	11,305	861	9,965	689	6,088	490
Total tobacco.....	1,881,758	141,104	2,013,287	135,360	1,996,038	119,226
Vegetables:						
Beans and dried pease.....	41		757	3	586	8
Potatoes.....	40					
All other vegetables.....	1,727	12	254	6	273	5
Wood:						
Cabinet ware, etc.....	2,288	8	6,748	16	640	
All other manufactured.....	2,419	59	11,030	64	3,161	60
Mahogany.....					4,514	302
Sapan.....	29,782	1,839	46,725	3,062	27,142	1,898
All other unmanufactured.....	3,190	95	21,400	1,522	32,930	1,022
Zinc in blocks.....	997	11	350	4	3,165	25
All other articles, not elsewhere specified.....	81,685	261	108,718	326	40,898	153
Reexportation:						
Provisions.....			139,950	3,540	1,165	5
All other.....	59,452	21	14,599	41	136,069	538
Gold and silver:						
Gold in ore.....	100		3,085	1		
Gold in bullion.....					3,250	
Gold in coin.....	179,490		67,000		76,670	
Silver in coin.....	5,977,741	330	4,118,496	217	4,143,319	178
American bills.....	361,005		2,427,707	2	539,156	
Copper coins.....	1,962		185,355	105	1,050	
Philippine paper money.....	4,000		8,500			
Spanish bank notes.....					750	
Grand total.....	39,674,318	1,505,891	37,033,185	1,390,919	37,116,810	1,300,660

Comparative summary of vessels doing the carrying trade for the Philippine Islands during the three fiscal years ended June 30, 1905.

[Values represented in United States currency.]

Country.	Imports.			Exports.		
	1903.	1904.	1905.	1903.	1904.	1905.
Domestic.....	\$140,256	\$304,990	\$48,954		\$99,612	\$101,893
American.....	600,361	1,796,244	3,098,301	\$667,500	3,167,408	3,504,636
Belgian.....	6,635	36,675		929,803		
British.....	13,979,540	16,319,986	17,920,510	29,284,519	25,798,427	29,276,078
Dutch.....	189,059		6,224		160,299	
French.....	141,177	144,155	217,209	926,032	422,151	157,923
German.....	8,232,336	6,575,000	3,526,828	2,150,530	2,009,441	1,065,999
Spanish.....	6,795,989	4,879,839	5,477,060	2,523,175	2,539,639	2,181,455
Norwegian.....	3,014,242	1,218,248	657,637	1,168,865	406,678	811,011
All other.....	2,000,240	2,452,344	37,841	2,023,904	2,429,530	17,815
Total.....	35,099,835	34,327,481	30,999,988	39,674,328	37,033,185	37,116,810

It will be noticed that there has been a material increase in the quantity of merchandise carried between the Philippine Islands and foreign ports in American vessels during the past three years, this increase applying about equally to import and export trade.

Statement of foreign vessels engaged in trade between the Philippine Islands and foreign ports during the fiscal year 1905, showing name, flag, and registered tonnage.

Name of vessel.	Flag.	Power.	Ton- nage.	Name of vessel.	Flag.	Power.	Ton- nage.
Abbey Holmes	British	Steam	1,996	Gala	Norwegian	Steam	625
Adolph Obrig	American	Sail	1,302	George T. Hay	British	Sail	1,647
African Prince	British	Steam	3,182	Giang Bee	do	Steam	1,199
Afghanistan	do	do	2,190	Golden Shore	American	Sail	626
Agamemnon	do	do	4,461	Gulf of Venice	British	Steam	1,884
Ailsa Craig	do	do	2,166	Haddon Hall	do	do	2,677
Aita	American	Sail	1,289	Halvard	Norwegian	do	1,066
Aiclinous	British	Steam	4,278	Hawk	American	do	53
Aibenga	German	do	2,769	Heathbank	British	do	2,085
Alf	Norwegian	do	1,958	Heathcraig	do	do	2,780
Allicante	Spanish	do	2,865	Heathford	do	do	2,436
Amberton	British	do	3,527	Heathglen	do	do	2,759
An Pho	do	do	966	Hindustan	do	do	2,389
Antenor	do	do	3,562	Himera	do	do	2,351
Argo	do	do	1,907	Holstein	German	do	985
Ardandeorg	do	do	2,103	Ho Kivie	British	do	209
Armenia	German	do	3,469	Hyades	American	do	2,932
Ardova	British	do	2,270	Indra	British	do	3,923
Ashmount	do	do	2,034	Inga	Norwegian	do	579
Atlantis	American	do	960	Indradeo	British	do	3,457
Attholl	British	do	3,031	Indramayo	do	do	3,370
Augsburg	German	do	3,200	Indrani	do	do	3,225
Australian	British	do	1,783	Indrapura	do	do	3,151
Austria	Austrian	do	4,879	Indrasamha	do	do	3,366
Auchenblae	British	do	2,597	Indravelli	do	do	3,152
Batoum	do	do	2,621	Indrawadi	do	do	3,369
Battersea Bridge	do	do	2,170	Iniogen	do	do	2,453
Beaconshire	do	do	2,323	Isla de Luzón	Spanish	do	2,580
Beatrice	do	do	2,139	Isla de Negros	American	do	125
Bezuada	do	do	3,270	Isla de Panay	Spanish	do	2,087
Borderer	do	do	2,835	Islesworth	British	do	1,715
Bourbon	French	do	998	Itaura	do	do	3,362
Breid	Norwegian	do	645	James Nesmith	American	Sail	1,632
Brigavia	German	do	4,163	Jessie Burns	British	Steam	2,210
Breiz Izel	French	do	3,074	J. B. Leeds	American	Sail	207
Brinilde	German	do	871	J. Bustamante	Spanish	Steam	461
Bunuan	American	do	644	Juno	American	do	483
Calchas	British	do	4,278	Kalfong	British	do	1,025
Cape Breton	do	do	2,501	Kamar	Norwegian	do	949
Carlisle	do	do	1,363	Kelvin	British	do	2,266
Cecelia	German	do	2,208	Kennebec	do	do	3,301
Cebu	American	do	648	Kenilworth	American	Sail	2,146
Changsha	British	do	1,463	Kish	British	Steam	3,147
China	American	do	3,186	Knight of Saint	do	do	2,967
Chingtu	British	do	1,459	George			
Chionshan	do	do	1,282	Korea	American	do	5,651
Chiengmai	German	do	767	Lahaina	do	Sail	994
Claverly	British	do	1,901	Legaspi	do	Steam	563
Claverburn	do	do	2,518	Lewis Lucken- back	do	do	2,574
Commerce	American	Sail	621	Lincolnshire	British	do	2,567
Constance	Italian	Steam	1,671	Loongsang	do	do	1,092
Coptic	British	do	2,744	Lord Antrum	do	do	1,954
Coronation	do	do	2,475	Louise Roth	do	do	2,212
C. López y López	Spanish	do	2,395	Louisiana	American	Sail	1,343
Couldson	British	do	2,762	Lowther Castle	British	Steam	2,961
Craigearn	do	do	1,947	Lyra	American	do	3,516
Croydon	do	do	2,409	Magallanes	do	do	832
Dagheston	do	do	2,212	Manaton	British	do	2,623
Daphne	German	do	1,290	Manchuria	American	do	8,750
Devonshire	British	do	2,363	Manor	British	do	1,868
Dagmar	German	do	921	Maristow	do	do	2,268
Doric	British	do	2,936	Massapaqua	do	do	1,935
Dott	Norwegian	do	630	Mathilda	Norwegian	do	2,230
Dragoman	British	do	2,214	Mauban	American	do	790
Eastern	do	do	2,272	Menelaus	British	do	3,006
Edward Seawall	American	Sail	2,916	Minnesota	American	do	13,323
Edendale	British	Steam	717	Michall Jebson	German	do	951
Ellamy	do	do	1,747	Minas de Batan	American	do	1,215
Elke	Norwegian	do	708	Minerva II.	do	Sail	494
Else	German	do	903	Mississippi	do	Steam	5,181
Emma Luyken	do	do	1,109	Missouri	do	do	5,077
Empire	British	do	2,843	M. Struve	German	do	965
Esen	German	do	1,861	Mongolia	American	do	8,750
Esksdale	British	do	1,926	Montserrat	Spanish	do	3,350
Expansion	American	Sail	612	Montrose	British	do	2,888
Feronia	British	Steam	1,930	Nan Yang	German	do	1,060
Floreston	do	do	2,236	Natuna	do	do	458
Forest Dale	do	do	2,285	Neil Macleod	American	do	634
Forest Hall	do	do	1,999	New Orleans	British	do	2,268
Gaaden	German	do	1,702	Ningpo	do	do	1,228
Gaelic	British	do	2,690				

Statement of foreign vessels engaged in trade between the Philippine Islands and foreign ports during the fiscal year 1905, showing name, flag, and registered tonnage—Cont'd.

Name of vessel.	Flag.	Power.	Ton- nage.	Name of vessel.	Flag.	Power.	Ton- nage.
Nithdale	British	Steam	1,860	Shawmut	American	Steam	6,195
Norwood	do	Sail	1,578	Shadwell	British	do	2,592
Nubia	German	Steam	2,268	Shashing	do	do	1,357
Oakburn	British	do	2,510	Shaoking	do	do	1,807
Onsang	do	do	1,787	Shimo-a	do	do	2,699
Oscar II.	Norwegian	do	1,999	Siberia	American	do	6,655
Otterspool	British	do	1,814	Slam	British	do	992
Pakho	do	do	1,229	Sidra	Norwegian	do	2,097
Palma	do	do	4,913	Skuld	do	do	1,747
Paul Revere	American	Sail	1,640	Sofola	British	do	3,436
Pearth	British	Steam	1,830	Sommerfeld	German	do	1,671
Pera	do	do	4,916	S. P. Hitchcock	American	Sail	2,086
Petrel (launch)	American	do	20	Spezia	German	Steam	2,649
Peri	British	Sail	896	St. Bede	British	do	2,287
Petrarch	German	Steam	1,251	St. Fillians	do	do	2,307
Pha Nang	do	do	1,021	St. George	do	do	2,066
Poona	British	do	4,877	St. Hugo	do	do	2,290
Polaris	American	Sail	717	St. Nicholas	do	do	2,284
Pollux	Norwegian	Steam	779	Stassfurt	German	do	2,082
Port Denison	do	do	2,188	Starching	British	do	1,307
Plelades	American	do	2,982	Sungklank	do	do	1,021
Profit	Norwegian	do	715	Sverre	Norwegian	Sail	1,076
Pronto	do	do	887	Taming	British	Steam	1,350
Prussia	American	Sail	1,131	Taishan	do	do	1,121
Putney Bridge	British	Steam	2,147	Taiyuan	do	do	1,459
Quang Nan	French	do	710	Teau	do	do	1,346
Queen Adelaide	British	do	1,835	Telemachus	do	do	1,340
Queen Alexander	do	do	2,788	Texan	do	do	5,635
Queen Helena	do	do	2,755	Thoeodor Nille	German	do	2,385
Radmonshire	do	do	1,889	Tjmahi	Dutch	do	2,470
Ras Bera	do	do	2,499	Titania	British	do	2,183
Ras Mora	do	do	2,162	Toyle	do	do	2,690
Reigate	do	do	2,508	Tremont	American	do	6,195
Riverton	do	do	2,236	Troop	British	do	1,526
Romulus	American	do	467	Tringganu	do	do	600
Robert K. (tug-boat)	do	do	322	Tsinau	do	do	1,460
Rubi	British	do	1,612	Ujina	do	do	3,426
Sagami	do	do	2,668	Ulo	Norwegian	do	884
Sambia	German	do	3,623	Umballa	British	do	3,426
Samar	American	Sail	673	Venus	American	do	608
Sanda	British	Steam	1,406	Verona	German	do	3,036
Satsuma	do	do	2,690	Vulcan	British	do	2,207
Scandia	German	do	3,135	Wathfield	do	do	1,944
Schleswig	do	do	783	Weehle	do	do	1,227
Schuylikil	British	do	3,343	Wm. F. Garmes	American	Sail	972
Segismund	German	do	3,300	Willehead	German	Steam	3,012
Seneca	British	do	3,170	Woodford	British	do	1,860
Selsdon	do	do	2,451	Wonga Fell	do	do	2,582
Sellasia	do	do	2,263	Wray Castle	do	do	2,717
Selum	Norwegian	do	865	Yawata Maru	Japanese	do	2,366
Serbia	German	do	2,344	Yuensang	British	do	1,128
				Zafiro	do	do	1,611

Total, 263 vessels.

In the foregoing statement American vessels are treated as foreign vessels.

Several of the vessels in the list have entered a dozen or more times during the year. This is especially true of the vessels regularly engaged in the Hongkong-Manila trade, some of which vessels average two round trips per month.

Vessels entered and cleared at all entry ports in the Philippine Islands during the period of American occupation, with tonnage of same, by fiscal years ended June 30, 1899-1905.

NUMBER OF COASTWISE VESSELS ENTERED.

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	683	1,28	1,792	1,660	2,023	2,103	1,932
Iloilo	108	512	2,171	3,558	3,398	3,381	3,567
Cebu	218	1,847	3,685	5,008	4,099	2,755	2,876
Iolo		39	49	80	46	97	126
Zamboanga		92	124	132	96	151	342
Siad		18	5	3			
Aparri				41	242	87	
Bongao						4	24
Puerto Princessa						16	25
Balabac						1	
Cape Melville						4	
Total	1,009	3,288	7,826	10,482	9,904	8,598	8,882

Vessels entered and cleared at all entry ports in the Philippine Islands during the period of American occupation, with tonnage of same, etc.—Continued.

TONNAGE OF COASTWISE VESSELS ENTERED.

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	149,129	240,897	841,853	828,571	388,468	441,320	421,940
Iloilo	41,091	77,837	137,864	205,290	194,947	184,060	176,512
Cebu	27,828	100,676	145,726	165,485	168,718	193,174	191,598
Joló		6,562	12,206	20,169	11,506	21,163	19,383
Zamboanga		29,559	20,871	30,882	20,177	36,193	28,068
Siasi		2,934	649	1,821			
Aparri				5,569	46,167	12,162	
Bongao						192	1,796
Puerto Princesa						2,909	
Balabac						10	169
Cape Melville						131	
Total	218,048	458,465	659,169	767,787	829,982	891,804	889,221

NUMBER OF COASTWISE VESSELS CLEARED.

Manila	723	1,310	1,831	1,742	2,045	2,116	1,940
Iloilo	146	585	2,232	3,584	3,435	3,362	3,585
Cebu	205	1,642	4,225	5,263	4,206	2,875	2,985
Joló		44	49	84	44	105	142
Zamboanga		87	131	134	98	163	370
Siasi		18	6	3			
Aparri				44	264	103	
Bongao						4	28
Puerto Princesa						16	
Balabac						2	28
Cape Melville						4	
Total	1,074	3,686	8,474	10,854	10,092	8,750	9,018

TONNAGE OF COASTWISE VESSELS CLEARED.

Manila	165,161	255,104	354,940	359,359	389,355	455,201	421,978
Iloilo	44,655	82,784	139,303	202,012	196,763	182,278	173,448
Cebu	28,036	104,701	147,596	151,850	169,892	196,360	197,075
Joló		6,836	12,773	21,570	10,884	20,106	18,628
Zamboanga		30,326	20,952	30,976	19,654	37,020	27,359
Siasi		2,934	743	1,271			
Aparri				6,205	45,890	11,608	
Bongao						192	1,824
Puerto Princesa						2,969	
Balabac						12	192
Cape Melville						135	
Total	237,852	482,685	676,307	773,243	832,438	905,821	940,504

NUMBER OF VESSELS ENTERED FROM FOREIGN PORTS.

Manila	239	412	521	577	662	655	558
Iloilo	24	47	70	86	105	113	90
Cebu	14	54	71	73	118	110	123
Joló		36	64	41	49	35	25
Zamboanga		18	27	41	45	39	33
Siasi		6	28				
Aparri				4			
Bongao						19	51
Puerto Princesa						2	
Balabac						3	9
Cape Melville						4	
Total	277	573	781	822	979	980	899

Vessels entered and cleared at all entry ports in the Philippine Islands during the period of American occupation, with tonnage of same, etc.—Continued.

TONNAGE OF FOREIGN VESSELS ENTERED.

Port.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	280,846	542,068	814,241	912,982	1,179,349	1,247,969	1,067,639
Iloilo	26,865	55,589	77,303	87,627	115,843	121,188	128,193
Cebu	14,419	60,130	91,015	88,438	169,257	152,023	186,433
Joló		7,953	25,344	16,496	28,547	22,779	18,039
Zamboanga		2,563	8,174	23,877	31,164	28,177	32,477
Siasi		2,094	15,847	2,428			
Aparri							
Bongao						845	300
Puerto Princesa						1,214	
Balabac						22	68
Cape Melville						779	
Total	322,130	670,337	1,031,924	1,131,848	1,524,160	1,574,986	1,423,109

NUMBER OF VESSELS CLEARED FOR FOREIGN PORTS.

	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	238	348	480	514	649	643	562
Iloilo	27	52	75	92	105	117	93
Cebu	8	48	75	62	113	105	112
Joló		37	63	37	49	37	27
Zamboanga		18	24	37	39	32	31
Siasi		6	26	5			
Aparri					1		
Bongao						9	98
Puerto Princesa						2	
Balabac						4	11
Cape Melville						5	
Total	273	508	728	747	956	954	934

TONNAGE OF FOREIGN VESSELS CLEARED.

	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Manila	291,649	501,522	762,980	881,985	1,196,937	1,222,356	1,067,759
Iloilo	35,789	62,755	81,585	94,419	115,216	121,081	135,046
Cebu	9,132	59,147	94,780	86,456	168,516	145,625	175,174
Joló		7,929	24,157	15,095	28,511	24,435	18,912
Zamboanga		2,567	7,892	23,978	30,747	25,868	29,864
Siasi		2,094	15,750	3,085			
Aparri					273		
Bongao						798	561
Puerto Princesa						1,214	
Balabac						29	80
Cape Melville						782	
Total	336,550	636,034	977,094	1,104,968	1,542,200	1,541,188	1,417,396

FOREIGN SHIPPING.

Vessels entered at the port of Manila from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British Australasia	American	1	1,640		
Chinese Empire	do			1	1,302
Caroline Islands	do			1	40
French East Indies	do	2	494		
United States	do	13	16,315		
British Australasia	British	2	2,543		
Do	Norwegian	1	1,076		
Total		18	22,068	2	1,342

Vessels entered at the port of Manila from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof—Continued.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS.					
French East Indies.....	American	28	27,313		
Chinese Empire	do			1	644
Hongkong	do	16	8,433	2	345
Iloilo	do	1	467		
Japan	do	1	483		
United States.....	do	24	133,959		
Japan	Austrian	1	4,879		
British Africa.....	British	1	2,677		
British Australasia.....	do	64	137,264		
British East Indies	do	7	16,039	6	15,143
Chinese Empire	do	9	24,747	4	11,955
Dutch East Indies.....	do	1	1,199	2	4,215
England	do	4	8,687		
French East Indies.....	do	16	19,861		
Germany	do	2	4,495		
Hongkong	do	170	232,311	12	35,830
Japan	do	20	45,753	11	28,773
Russia	do	3	6,740		
Russian China.....	do	1	1,363		
Scotland	do	1	2,103		
Siam	do	1	991		
Spain	do			1	1,747
United States.....	do	35	96,542		
East Indies:					
Dutch	Dutch	1	2,470		
French	French	4	5,023		
Japan	do	1	3,074		
British Australasia.....	German	5	12,114	1	3,012
British East Indies	do	15	14,215		
England	do	2	5,061		
France	do	1	1,251		
French East Indies.....	do	9	10,023		
Germany	do	8	22,036		
Japan	do	1	783		
Hongkong	do			1	1,290
United States.....	do	4	11,242		
Hongkong	Italian	1	1,671		
British Australasia.....	Japanese	2	4,733		
Hongkong	do	1	2,366		
Japan	do	1	2,566		
British Australasia.....	Norwegian	1	2,097		
Chinese Empire	do	7	7,144		
French East Indies.....	do	8	5,945		
Japan	do	2	3,746	1	1,958
Scotland	do	2	1,294		
England	Spanish	13	33,692		
Spain	do	1	460		
Total		496	979,317	42	104,912

Vessels cleared for foreign ports from the port of Manila during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British Australasia	American			1	994
French East Indies	do			1	494
Hongkong	do	1	207	1	2,146
United States	do	2	3,388	10	9,618
Auckland	British	1	896		
British Australasia	do			1	1,647
Dutch East Indies	Norwegian			1	1,076
Total		4	4,491	15	15,975

Vessels cleared for foreign ports from the port of Manila during fiscal year ended June 30, 1906, and tonnage thereof—Continued.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS.					
British Africa	American	1	1,578		
East Indies:					
British	do			4	5,281
French	do			30	23,551
Dutch	do			1	2,190
Chinese Empire	do			1	186
England	do	1	2,385		
Hongkong	do	84	39,648	7	7,180
Japan	do	4	11,518		
Spain	do	1	6,500		
United States	do	23	180,813		
British Africa	British	2	3,524		
British Australasia	do	14	28,967	14	84,562
British East Indies	do	3	9,447	12	24,324
Chinese Empire	do	8	20,717	10	15,094
Cebu	do	1	2,966		
Dutch East Indies	do			7	16,723
Egypt	do	1	1,363		
England	do	5	17,853		
France	do	7	18,926		
French East Indies	do			14	23,066
Hongkong	do	185	272,324	13	23,277
Iloilo	do	1	3,435		
Japan	do	7	13,890	10	24,755
United States	do	31	84,478	1	5,636
Hongkong	Dutch	1	2,470		
French East Indies	French			2	1,707
Hongkong	do			1	998
Iloilo	do	1	712		
United States	do	1	3,074		
British Australasia	German			2	3,886
British East Indies	do	13	10,937	3	5,862
Chinese Empire	do	3	7,280	1	908
East Indies:					
Dutch	do			5	9,926
French	do			3	3,202
Hongkong	do	8	23,570	5	8,334
Japan	do	2	5,794		
Hongkong	Italian			1	1,671
British Australasia	Japanese	2	4,732		
Hongkong	do	2	4,732		
British Australasia	Norwegian			1	2,442
Chinese Empire	do	5	4,842	2	1,781
French East Indies	do	1	837	4	2,709
Hongkong	do			4	2,995
Japan	do			3	6,326
United States	do	1	1,958		
England	Spanish	13	32,556		
Total		382	773,826	161	263,467

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing	20	23,410	19	20,466
Steam	538	1,034,229	543	1,037,298
Total	558	1,057,639	562	1,057,759

Vessels entered at the port of Cebu from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British Australasia	American	1	1,641		
Philippine Islands	do			1	2,086
United States	do	1	642		
British Australasia	British	1	1,647		
United States	do	1	1,999		
Total		4	5,929	1	2,086
STEAMERS.					
French East Indies	American	15	13,080		
British Australasia	British	5	12,247		
British East Indies	do	2	2,480		
Chinese Empire	do	3	3,063	1	3,061
French East Indies	do	4	4,513		
Germany	do	1	1,901		
Hongkong	do	23	23,867	1	3,344
Japan	do	1	1,980		
Philippine Islands	do			22	62,452
Russia	do	3	6,803		
United States	do	1	2,207		
French East Indies	French	6	5,428		
Japan	do			1	3,075
British East Indies	German	12	8,419	1	767
French East Indies	do	5	7,109		
Germany	do	1	1,521		
Hongkong	do	1	1,123		
Philippine Islands	do			1	2,386
French East Indies	Norwegian	6	4,450		
Japan	do	1	1,194		
Philippine Islands				1	1,868
Total		90	101,285	28	77,133

Vessels cleared for foreign ports from the port of Cebu during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British Australasia	American			1	1,641
British Africa	do	1	2,086		
French East Indies	do			1	494
United States	do			1	642
Hongkong	British			1	1,647
Philippine Islands	do			1	1,999
Total		1	2,086	5	6,423
STEAMERS.					
British East Indies	American			7	7,144
United States	do	1	5,077		
British East Indies	British			1	767
Chinese Empire	do			1	1,121
Dutch East Indies	do			2	4,144
England	do	4	15,474		
French East Indies	do			2	3,982
France	do	6	17,649		
Hongkong	do	22	22,834	5	5,236
Japan	do			2	4,868
Philippine Islands	do			9	16,726
United States	do	11	28,901		
French East Indies	French			5	4,480
Hongkong	do			1	997
United States	do	1	3,075		
British East Indies	German	4	2,901	8	6,183
England	do	1	2,356		
French East Indies	do			1	887
Hongkong	do	4	4,381		
French East Indies	Norwegian			6	4,450
Hongkong	do			1	1,194
United States	do	1	1,958		
Total		55	104,586	51	62,079

Vessels cleared for foreign ports from the port of Cebu during fiscal year ended June 30, 1905, and tonnage thereof—Continued.

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing.....	5	8,015	6	8,509
Steam.....	118	178,418	106	166,666
Total.....	123	186,433	112	175,174

Vessels entered at the port of Iloilo from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
United States.....	British.....	1	1,999	1	1,820
STEAMERS.					
Hongkong.....	American.....	3	2,006		
Manila.....	do.....			1	5,077
Australia.....	British.....	6	16,117		
East Indies.....	do.....	1	3,152		
Chinese Empire.....	do.....	1	1,072	3	5,740
East Indies, French.....	do.....	2	2,361		
Hongkong.....	do.....	26	26,654	2	3,768
Japan.....	do.....	3	6,012	1	2,284
Manila.....	do.....			5	15,526
Russia.....	do.....	3	6,808		
United States.....	do.....	1	2,518		
East Indies—					
French.....	French.....	4	3,616		
British.....	German.....	11	7,961		
French.....	do.....			1	985
Hongkong.....	do.....			1	984
Manila.....	do.....			1	908
Zamboanga.....	do.....			1	1,046
Chinese Empire.....	Norwegian.....			1	1,901
East Indies, French.....	do.....	6	4,443		
Hongkong.....	do.....	1	1,529		
Manila.....	do.....			1	624
Scotland.....	do.....	2	1,293		
Total.....		70	85,536	18	38,538

Vessels cleared for foreign ports from the port of Iloilo during the fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
United States.....	British.....	2	3,819		
STEAMERS.					
East Indies, French.....	American.....			2	1,920
Hongkong.....	do.....	2	1,218		
United States.....	do.....	1	5,077		
Australia.....	British.....			2	6,089
Cebu.....	do.....	1	1,970	2	5,618
Chinese Empire.....	do.....	3	3,235	2	3,817
East Indies, Dutch.....	do.....			1	1,990
East Indies, French.....	do.....			2	3,383
Hongkong.....	do.....	24	24,623	5	7,248
Jaro.....	do.....			1	2,223
Manila.....	do.....			2	4,870
United States.....	do.....	9	27,074	1	2,754
Zamboanga.....	do.....	1	3,435		

Vessels cleared for foreign ports from the port of Iloilo during the fiscal year ended June 30, 1905, and tonnage thereof—Continued.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS—continued.					
East Indies, French	French			3	2,906
East Indies, British	German	2	1,534	10	7,194
Chinese Empire	do	1	903		
East Indies, French	do			1	1,046
Hongkong	do	1	985		
Japan	do	1	984		
East Indies, French	Norwegian			1	645
Chinese Empire	do	3	2,815		
Hongkong	do	4	2,377	1	837
Labuan	do			1	715
United States	do	1	1,902		
Total		54	78,632	37	52,596

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing	2	3,819	2	3,819
Steam	88	124,374	91	181,227
Total	90	128,193	93	185,046

Vessels entered at the port of Jol6 from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS.					
East Indies, British	American	1	87		
British Australasia	British	1	3,457		
East Indies, British	do	1	56		
Do	German	13	8,485		
Philippine Islands	do			8	4,760
Do	Norwegian	1	1,194		
Total		17	13,279	8	4,760

Vessels cleared for foreign ports from the port of Jol6 during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
East Indies, British.....	American			1	40
STEAMERS.					
East Indies, British.....	American			1	87
East Indies, French	do			1	833
East Indies, British.....	British			1	56
Philippine Islands	do			1	3,457
East Indies, British.....	German	10	6,000		
Philippine Islands	do			11	7,245
Do	Norwegian	1	1,194		
Total		11	7,194	15	11,678

Vessels cleared for foreign ports from the port of Jol6 during fiscal year ended June 30, 1905, and tonnage thereof—Continued.

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing			1	40
Steam	25	18,089	26	18,872
Total	25	18,089	27	18,912

Vessels entered at the port of Zamboanga from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS.					
East Indies, British.....	American	1	87	.....	.....
British Australasia	British	3	8,235	3	4,382
British China	do .....	.....	.....	1	1,463
East Indies, British	do	2	257	.....	.....
Hongkong	do	2	2,922	.....	.....
East Indies, British	German	10	6,645	1	1,046
East Indies, Dutch	do	7	4,170	.....	.....
Japan	Norwegian	1	844	1	1,193
Philippine Islands ^a	do .....	.....	.....	1	1,198
Total .....	.....	26	28,160	7	9,277

^a Original port of departure unknown.

Vessels cleared for foreign ports from the port of Zamboanga during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
STEAMERS.					
East Indies, British	American			1	87
British Australasia	British	1	1,463	3	6,357
British China	do	1	1,463		
East Indies, British	do			1	120
Hongkong	do	1	1,459	1	1,460
Philippine Islands	do	1	2,364		
East Indies, British	German	9	5,527	2	1,708
East Indies, Dutch	do			6	3,580
Foreign port via Iloilo	do			1	1,046
East Indies, British	Norwegian			1	844
Philippine Islands ^a	do			2	2,386
Total		13	12,276	18	17,588

^a Final destination unknown.

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Steam	33	32,437	31	29,864

Vessels entered at the port of Bongao from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
East Indies, British	American	38	225	1	5
East Indies, British	British	11	56		
East Indies, Dutch	Dutch	1	14		
Total		50	295	1	5

Vessels cleared for foreign ports from the port of Bongao during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
East Indies, British	American	56	327	23	126
East Indies, British	British	17	89	2	19
Total		73	416	25	145

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing	51	300	98	561

Vessels entered at the port of Balabac from foreign ports during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British North Borneo.....	American	9	68	.....	.....

Vessels cleared for foreign ports from the port of Balabac during fiscal year ended June 30, 1905, and tonnage thereof.

Country.	Flag.	With cargo.		In ballast.	
		Vessels.	Net tons.	Vessels.	Net tons.
SAILING.					
British North Borneo.....	American	11	80	.....	.....

RECAPITULATION.

	Entered.		Cleared.	
	Vessels.	Net tons.	Vessels.	Net tons.
Sailing	9	68	11	80
Steam				
Total	9	68	11	80

Certificates of protection issued in the Philippine Islands from January 1, 1900, to June 30, 1905, under the provisions of Tariff Circular No. 81.

Port.	Number of certificates.
Manila	2,211
Iloilo	892
Cebu	2,022
Zamboanga	101
Jolo	66
Aparri	62
Bongao	19
Balabac	4
Total	5,377

Statement of immigrants arriving at all ports in the Philippine Islands during the two fiscal years ended June 30, 1905.

Port.	Fiscal year 1904.				Fiscal year 1905.			
	Ameri-can.	Euro-pean.	All other.	Total.	Ameri-can.	Euro-pean.	All other.	Total.
Manila	13,115	1,515	12,309	26,939	13,304	1,285	10,965	25,554
Cebu	19	10	215	244	20	19	244	283
Iloilo	9	8	318	335	4	15	308	327
Jolo	6	20	290	316	3	5	176	184
Zamboanga	2	6	123	131	6	3	70	79
Puerto Princessa		1		1				
Bongao			3	3			16	16
Cape Melville			5	5				
Balabac			14	14	1		52	53
Total	13,161	1,560	13,277	27,988	13,338	1,327	11,831	26,496

Statement of Chinese immigrants arrived at and departed from the port of Manila during the period from January 1, 1899, to June 30, 1905.

	Arrived.	Departed.
Calendar year 1899	13,306	9,458
Calendar year 1900	9,768	10,568
Calendar year 1901	10,309	7,294
Calendar year 1902	9,789	6,550
Calendar year 1903	7,426	8,068
Half year, January 1 to June 30, 1904	4,632	4,112
Fiscal year 1905 ^a	8,886	7,715
Total to June 30, 1905	64,118	58,765
Excess of arrivals over departures		10,353

^a Statistics for 1905 are for all ports.

It will be noticed that during the past year the arrivals of Chinese exceed the departures 1,171. Considering the fact that the total number of Chinese inhabitants of the Philippine Islands is only about 50,000, it will be noticed that they are much given to traveling back and forth between China and these islands, from one-sixth to one-fifth of the entire number making the trip each year, the greater number as steerage passengers.

CHINESE AND JAPANESE IMMIGRATION.

The following table shows the total number of Japanese and Chinese arriving in the Philippine Islands during the three fiscal years ended June 30, 1905:

	1903.	1904.	1905.
Japanese	1,123	2,770	1,235
Chinese	8,762	9,089	8,886

The number of Japanese arrived during the year exceeded the number departing by 408.

Statement of passengers departing for foreign ports from all ports in the Philippine Islands during the fiscal year ended June 30, 1905.

[Passengers departing on United States transports not included.]

Nationality.	Destined for—									Total.
	United States.	Eng-land.	Hong-kong.	Amoy.	Singapore.	Spain.	France.	Ger-many.	Other country.	
Americans	56	4	1,781		32	3	1		83	1,910
Filipinos	2	1	399	108	51	45	6		56	668
Spaniards		1	132		3	405	2		8	561
Germans	1		80		3	3	6	1	7	101
Chinese	1		3,601	3,827	112				174	7,715
English		9	334		22	1			33	399
French			28		4				12	44
Scandinavian		1	18						1	20
East Indians			64		55				36	171
Russian	16	1	3		1				5	10
Japanese			442		13				372	827
Cuban			2			2				4
Irish			4							4
Portuguese			73		3				18	94
Polish										
Scotch			6							6
All other		7	134		17		5		88	251
Total	76	24	7,051	3,935	316	459	20	1	898	12,776

Of the passengers departing, 1,255 were females and 11,520 males; 408 were under 15 years of age; 1,108 were over 45 years of age, of whom 751 were Chinese and 41 English.

APPENDIX B.

Alphabetical list of names of seagoing vessels documented in the Philippine Islands to which official numbers and signal letters were assigned, covering the period from July 1, 1904, to and including June 30, 1905.

Vessel.	Rig.	Gross tonnage.	Official number.	Signal letters.	Home port.
Alta	Sail	1,481.56	173050	M. C. N. L.	Manila.
Angelita	do	120.59	172773	M. C. K. H.	Do.
Ascención	Steamer	568.87	172583	M. C. J. V.	Do.
Avante	do	78.77	171273	M. C. N. V.	Do.
Balabac	do	411.11	172921	M. C. K. S.	Do.
Basilan	do	411.11	172922	M. C. K. T.	Do.
Bun-uan	do	1,068.21	172764	M. C. K. G.	Do.
Busuanga	do	411.11	172923	M. C. K. V.	Do.
Caillayan	Sail	177.93	173465	M. C. N. W.	Do.
Carmenita	do	151.10	172510	M. C. K. B.	Do.
Corregidora	Steamer	411.11	172924	M. C. K. W.	Do.
Dolores	Sail	376.71	172987	M. C. K. N.	Do.
Frutos	do	53.87	173532	M. C. F. D.	Itolito.
García Pitogo	Steamer	320.86	173617	M. C. P. G.	Manila.
Gerardo	Sail	60.51	172601	M. C. J. W.	Do.
Gil I	do	168.86	173004	M. C. N. H.	Do.
Gil López	Steamer	96.75	172914	M. C. K. Q.	Itolito.
Hawk	do	96.50	173156	M. C. N. R.	Manila.
J. Bustamante	do	1,074.96	171650	M. C. N. T.	Do.
Kababayan	do	124.15	172584	M. C. K. L.	Do.
Leyte	do	411.11	172925	M. C. L. B.	Do.
Loyola	Sail	432.66	173046	M. C. N. K.	Do.
Luzón	Steamer	411.11	172926	M. C. L. P.	Do.
Mactan	do	221.21	172988	M. C. K. P.	Do.
Marinduque	do	411.90	172927	M. C. L. F.	Do.
Masbate	do	411.11	172928	M. C. L. G.	Do.
Mercurio	Sail	31.13	173514	M. C. P. B.	Itolito.
Mindanao	Steamer	411.11	172929	M. C. L. H.	Manila.
Mindoro	do	411.11	172930	M. C. L. J.	Do.
N. S. de Gracia	do	154.82	173064	M. C. N. P.	Do.
Negros	do	411.11	172931	M. C. L. K.	Do.
Nueva Zaragoza	Sail	139.87	172790	M. C. K. J.	Do.
Nuevo Rosario	do	113.41	171356	M. C. P. F.	Do.
Palawan	Steamer	411.11	172932	M. C. L. N.	Do.
Panaya	do	411.11	172933	M. C. L. P.	Do.

^a Insular coast guard vessel.

Alphabetical list of names of seagoing vessels documented in the Philippine Islands to which official numbers and signal letters were assigned, covering the period from July 1, 1904, to and including June 30, 1905—Continued.

Vessel.	Rig.	Gross tonnage.	Official number.	Signal letters.	Home port.
Paul Revere.....	Steamer	78.59	172915	M. C. K. R.	Iloilo.
Picketa.....	do	178.00	172984	M. C. L. Q.	Manila.
Polilloa.....	do	411.11	172985	M. C. L. R.	Do.
Rangera.....	do	254.08	172986	M. C. L. S.	Do.
Rombióna.....	do	411.90	172987	M. C. L. T.	Do.
Rosario.....	Sail	35.88	178204	M. C. N. S.	Cebd.
Rovero.....	Steamer	96.22	172988	M. C. L. V.	Manila.
Sámará.....	do	411.11	172989	M. C. L. W.	Do.
San José I.....	do	180.11	172990	M. C. N. G.	Zamboanga.
San José II.....	do	102.00	178075	M. C. N. Q.	Manila.
San Luis de Guinayangan.....	Sail	93.20	178084	M. C. N. J.	Do.
San Nicolás.....	Steamer	335.06	172611	M. C. K. D.	Do.
Santa María.....	Sail	112.04	173655	M. C. P. H.	Do.
Santísima Trinidad.....	Steamer	70.84	172649	M. C. K. F.	Do.
Sentinelá.....	do	.....	172940	M. C. N. B.	Do.
Serantes.....	do	151.78	172577	M. C. J. T.	Do.
Tablasa.....	do	411.11	172941	M. C. N. D.	Do.
Troya.....	do	74.55	172942	M. C. N. F.	Do.

^a Insular coast guard vessel.

APPENDIX C.

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1905, including vessels marked * in letters R and T omitted from last special report.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
A. D. Padua.....	Sail	9.95	173591	F. Cabajug	Cebd.
Abad.....	do	5.85	173538	J. Bacul	Do.
Adela.....	do	5.82	178024	F. Sales	Do.
Adoración.....	do	11.45	178027	A. Badilla	Do.
Aggie.....	Steam launch	12.44	173135	A. Samson	Manila.
Agno.....	Sail	58.06	173586	M. Rivero	Do.
Agulla.....	do	8.80	172868	E. Garzon	Iloilo.
Agustín.....	do	6.47	173556	P. Reyes & Co.	San Fernando.
Alleen.....	do	5.06	173190	G. Olvido	Cebd.
Albor.....	do	6.22	178026	F. Albore	Do.
Alejandra.....	do	10.77	173583	J. Guidote	Nueva Cáceres
Alejandro.....	Lighter	79.86	173065	Z. Lichauro	Manila.
Alerta.....	Sail	5.85	178416	L. Felicitas	San Fernando.
Alerta Viajera.....	do	8.35	178448	S. de Perio	Do.
Alfonso XIII.....	do	7.66	178405	Saloco	Balabac.
Alfred.....	do	7.61	173273	C. Raroque	San Fernando.
Alfredo.....	do	5.16	172869	I. Macaál	Iloilo.
Alice.....	do	5.04	172851	P. S. Marcelo	Manila.
Alisto.....	do	5.02	173449	U. Cerina	San Fernando.
Alma.....	do	6.47	172897	P. S. Marcelo	Manila.
Alpine Eagle.....	Steam launch	34.95	173674	J. H. Greefkens	Do.
Alonso.....	Sail	5.09	173573	F. Alonso	Tacloban.
Alta.....	do	1,481.56	173050	D. H. Ward	Manila.
Amburayan.....	do	7.38	173433	P. Lozano	San Fernando.
American Eagle.....	Steam launch	40.41	172673	J. H. Greefkens	Manila.
Anda.....	do	12.72	173294	M. N. José	San Fernando.
Angelita.....	Sail	120.59	172773	J. Pozas	Manila.
Angelita.....	Boat	6.59	173249	J. Baca	Do.
Angelita.....	Sail	5.53	173497	M. Tabora	Do.
Anita.....	do	47.00	173152	J. Rodríguez	Do.
Anita Araneta.....	do	9.44	173463	E. Araneta	Iloilo.
Antipolo.....	do	5.38	173321	P. Imperial	San Fernando.
Appari.....	do	6.04	173878	V. Quejada	Do.
Apolonio.....	do	8.69	173515	A. Yañes	Oroquieta.
Arador.....	do	5.34	173635	P. Arador	Cebd.
Arellano.....	do	7.84	173619	J. Arellano	Batangas.
Argao.....	do	8.78	173592	A. Mifiosa	Cebd.
Asunción.....	do	20.68	172881	P. Floranza	Legaspi.
Asunción.....	do	5.35	173232	J. Pico	Appari.
Aurora.....	do	48.43	173203	M. Eyerro	Tacloban.
Aurora.....	do	5.23	173550	J. Valio	Cebd.
Ave del Paraíso.....	do	8.96	.....	F. Hermosura	San Fernando.
Ave María.....	do	22.48	173199	S. Planco	Cebd.
Ave María.....	do	9.70	173435	M. Cardona	San Fernando.
AYAMA.....	do	15.31	173606	A. Bongabong	Cebd.

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1905, including vessels marked * in letters R and T omitted from last special report—Continued.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Azuena.....	Sail.....	6.13	173643	U. López.....	Batangas.
B.....	Barge.....	184.69	173170	Manila Navigation Co.	Manila.
Balabac.....	Steamer.....	411.11	172921	Philippine government.	Do.
Beluyos.....	Sail.....	11.40	173192	E. Dojig.....	Cebú.
Banas.....	do.....	16.84	172867	J. Banas.....	Do.
Banca No. 699.....	Banca.....	6.12	173138	Q. Morales.....	Manila.
Banca No. 1243.....	do.....	7.54	173173	B. Pulido.....	Do.
Banca No. 1397.....	do.....	13.97	173166	R. de Guzmán.....	Do.
Banca No. 1398.....	do.....	5.44*	173139	do.....	Do.
Banca No. 1731.....	do.....	6.09	172967	B. Cuadra.....	Do.
Banca No. 10210.....	do.....	6.43	173103	V. de Jesús.....	Do.
Banca No. 10442.....	do.....	7.61	173420	P. Marcelo.....	Do.
Banca No. 10696.....	do.....	17.51	173066	F. Santos.....	Do.
Banca No. 11364.....	do.....	7.18	173361	C. Viardo.....	Do.
Banca No. 11466.....	do.....	7.79	172846	Ayala & Co.....	Do.
Banca No. 11649.....	do.....	18.11	173214	I. Samson.....	Do.
Banca No. 11715.....	do.....	6.74	173472	B. Vinta.....	Do.
Banca No. 11719.....	do.....	5.76	172723	F. Velasco.....	Do.
Banca No. 11859.....	do.....	10.41	173471	F. Roldan.....	Do.
Banca No. 15206.....	do.....	9.75	172854	I. Ureta.....	Do.
Banca No. 15929.....	do.....	5.92	172847	F. Gonzales.....	Do.
Banca No. 15932.....	do.....	5.09	173257	S. Vergara.....	Do.
Banca No. 16004.....	do.....	21.41	173255	D. Tensgon.....	Do.
Banca No. 16017.....	do.....	6.24	172954	I. Ureta.....	Do.
Banca No. 16043.....	do.....	9.02	173183	G. Santos.....	Do.
Banca No. 16101.....	do.....	21.82	172858	P. Bernardo.....	Do.
Banca No. 16104.....	do.....	16.83	173049	C. Sevilla.....	Do.
Banca No. 16105.....	do.....	11.47	173062	A. Celedonio.....	Do.
Banca No. 16111.....	do.....	11.46	172799	A. Ponce.....	Do.
Banca No. 16120.....	do.....	9.10	173224	J. de Velasco.....	Do.
Banca No. 16138.....	do.....	27.20	173452	P. Gabriel.....	Do.
Banca No. 16146.....	do.....	12.25	.....	F. Roldan.....	Do.
Banca No. 16153.....	do.....	7.90	172746	P. Tolentino.....	Do.
Banca No. 16173.....	do.....	7.49	172767	A. O. de Reynolds.....	Do.
Banca No. 16176.....	do.....	14.25	173077	B. Francisco.....	Do.
Banca No. 16186.....	do.....	39.83	173164	Philippine Lumber and Development Co.	Do.
Banca No. 16206.....	do.....	5.65	172877	C. San Luis.....	Do.
Banca No. 16221.....	do.....	20.81	173167	E. Adriano.....	Do.
Banca No. 16222.....	do.....	9.98	172791	do.....	Do.
Banca No. 16223.....	do.....	14.83	172792	do.....	Do.
Banca No. 16248.....	do.....	7.10	173176	G. Valencia.....	Do.
Banca No. 16251.....	do.....	6.35	173278	A. del Rosario.....	Do.
Banca No. 16255.....	do.....	6.22	173111	F. Encarnación.....	Do.
Banca No. 16262.....	do.....	11.83	173125	D. Montaya.....	Do.
Banca No. 16276.....	do.....	7.52	173100	C. Faustino.....	Do.
Banca No. 16277.....	do.....	7.45	173102	E. Punsalan.....	Do.
Banca No. 16284.....	do.....	5.45	173003	G. Alfonso.....	Do.
Banca No. 16307.....	do.....	5.93	173178	F. Ricalfrente.....	Do.
Banca No. 16337.....	do.....	6.87	173507	Q. de Borja.....	Do.
Banca No. 16390.....	do.....	5.35	173059	G. Santiago.....	Do.
Banca No. 16427.....	do.....	5.58	172965	G. Tacuncruz.....	Do.
Banca No. 16442.....	do.....	6.64	172909	B. Banzon.....	Do.
Banca No. 16443.....	do.....	6.52	173089	A. Martinez.....	Do.
Banca No. 16470.....	do.....	6.83	172768	S. Baltazar.....	Do.
Banca No. 16503.....	do.....	10.24	172908	B. Banzon.....	Do.
Banca No. 16513.....	do.....	7.27	172841	C. Borja.....	Do.
Banca No. 16536.....	do.....	5.64	173256	J. Tlongson.....	Do.
Banca No. 16577.....	do.....	21.81	172900	P. Contreras.....	Do.
Banca No. 16593.....	do.....	9.58	173238	C. Santo Tomás.....	Do.
Banca No. 16628.....	do.....	6.35	173300	A. Vateos.....	Do.
Banca No. 16645.....	do.....	7.85	173305	C. Paniganiban.....	Do.
Banca No. 16680.....	do.....	6.16	172857	S. Banzon.....	Do.
Banca No. 16770.....	do.....	19.96	173106	T. R. Yangco.....	Do.
Banca No. 16777.....	do.....	7.07	172972	B. Vinta.....	Do.
Banca No. 16819.....	do.....	7.19	172705	M. Tongco.....	Do.
Banca No. 16844.....	do.....	5.36	173588	C. Aullo.....	Do.
Banca No. 16883.....	do.....	5.08	173444	E. Poblete.....	Do.
Banca No. 16896.....	do.....	7.34	172840	D. Cosunji.....	Do.
Banca No. 16897.....	do.....	5.86	173114	B. Tapanan.....	Do.
Banca No. 16903.....	do.....	5.23	172953	C. de los Santos.....	Do.
Banca No. 16927.....	do.....	9.40	173168	V. Aldaba.....	Do.
Banca No. 16938.....	do.....	16.69	172752	E. Luna.....	Do.
Banca No. 16946.....	do.....	6.16	173581	V. Olano.....	Do.
Banca No. 16961.....	do.....	6.80	173567	F. Laderas.....	Do.
Banca No. 16959.....	do.....	7.01	173074	M. Angeles.....	Do.
Banca No. 16962.....	do.....	9.13	173276	P. Velasco.....	Do.
Banca No. 16993.....	do.....	5.98	173061	P. Andrés.....	Do.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Banca No. 16996	Banca	6.87	172981	M. Fajardo	Manila.
Banca No. 16997	do	7.40	172974	S. Austria	Do.
Banca No. 17024	do	22.58	172729	R. Luna	Do.
Banca No. 17033	do	8.14	172901	J. Rebullida	Do.
Banca No. 17084	do	17.47	172796	F. Pedro	Do.
Banca No. 17058	do	7.84	172766	I. de Silva	Do.
Banca No. 17060	do	6.85	172860	L. Roque	Do.
Banca No. 17070	do	5.01	173058	F. Vergara	Do.
Banca No. 17094	do	14.27	173169	C. Bumanlag	Do.
Banca No. 17098	do	5.77	173140	C. Arcega	Do.
Banca No. 17119	do	6.04	173499	J. Dominguez	Do.
Banca No. 17133	do	16.11	172803	P. Reyes	Do.
Banca No. 17160	do	5.11	173047	E. Papa	Do.
Banca No. 17165	do	5.83	172877	A. Salvador	Do.
Banca No. 17170	do	6.01	173213	J. Aguirre	Do.
Banca No. 17201	do	8.72	172739	A. Saldana	Do.
Banca No. 17217	do	15.73	172794	F. Pedro	Do.
Banca No. 17229	do	16.80	172847	R. Mendoza	Do.
Banca No. 17233	do	12.48	173055	A. Luna	Do.
Banca No. 17234	do	8.52	172910	F. Bernabé	Do.
Banca No. 17238	do	6.00	172886	L. Beltran	Do.
Banca No. 17244	do	5.68	173223	D. Garcia	Do.
Banca No. 17246	do	5.32	172876	J. Model	Do.
Banca No. 17254	do	5.11	173324	R. Keyser	Do.
Banca No. 17257	do	17.01	173096	E. Riu	Do.
Banca No. 17258	do	9.58	172966	M. José	Do.
Banca No. 17262	do	13.81	173053	F. Kaharian	Do.
Banca No. 17282	do	6.67	173097	F. Custodio	Do.
Banca No. 17287	do	6.33	173166	V. Custodio	Do.
Banca No. 17309	do	5.06	173237	C. Herrera	Do.
Banca No. 17444	do	15.87	173112	J. Baltazar	Do.
Banca No. 17452	do	9.92	172702	J. Raymundo	Do.
Banca No. 17454	do	19.13	172688	Philippine Lumber and Development Co.	Do.
Banca No. 17455	do	18.12	172684	do	Do.
Banca No. 17456	do	16.87	172685	do	Do.
Banca No. 17465	do	7.64	172736	P. S. Faustino	Do.
Banca No. 17469	do	9.51	172882	I. Aragoncillo	Do.
Banca No. 17471	do	8.46	172846	P. Reyes	Do.
Banca No. 17472	do	5.94	172899	E. Ong Tengco	Do.
Banca No. 17473	do	10.22	172857	D. Aguilar	Do.
Banca No. 17477	do	5.55	172859	G. Angeles	Do.
Banca No. 17478	do	9.66	172858	F. Hilario	Do.
Banca No. 17479	do	5.17	172878	A. Salvador	Do.
Banca No. 17480	do	9.50	172896	M. Pitalo	Do.
Banca No. 17482	do	5.88	172889	M. Franco	Do.
Banca No. 17485	do	6.00	172888	F. Raymundo	Do.
Banca No. 17486	do	20.35	173035	A. Luna	Do.
Banca No. 17493	do	6.01	173063	G. Antonio	Do.
Banca No. 17495	do	5.62	173064	E. San Luis	Do.
Banca No. 17498	do	5.61	173073	A. Banzon	Do.
Banca No. 17501	do	8.05	173126	J. Z. de Ocampo	Do.
Banca No. 17506	do	6.17	173147	M. G. Angeles	Do.
Banca No. 17510	do	5.09	173182	F. Escalada	Do.
Banca No. 17511	do	6.47	173148	V. Yfiguez	Do.
Banca No. 17518	do	19.89	173175	R. Bautista	Do.
Banca No. 17519	do	21.15	173212	F. de los Santos	Do.
Banca No. 17520	do	14.47	173306	S. Mariano	Do.
Banca No. 17525	do	14.44	173210	L. J. Araullo	Do.
Banca No. 17526	do	12.69	173211	do	Do.
Banca No. 17526	do	6.08	173235	S. Roxas	Do.
Banca No. 17532	do	6.39	173239	P. Pascual	Do.
Banca No. 17535	do	6.25	173247	J. Cruz	Do.
Banca No. 17536	do	6.11	173248	do	Do.
Banca No. 17544	do	11.45	173252	A. San José	Do.
Banca No. 17559	do	5.41	173275	R. de la Cruz	Do.
Banca No. 17565	do	5.27	173281	G. Mangahas	Do.
Banca No. 17571	do	9.86	173299	F. Hilario	Do.
Banca No. 17572	do	5.22	173357	T. Nibungco	Do.
Banca No. 17581	do	10.49	173411	G. de Guzman	Do.
Banca No. 17582	do	15.83	173419	G. Vicencio	Do.
Banca No. 17590	do	9.96	173457	C. Gonzales	Do.
Banca No. 17599	do	17.75	173424	T. Talampas	Do.
Banca No. 17607	do	18.38	173451	B. Soriano	Do.
Banca No. 17611	do	5.11	173474	T. Palumbarit	Do.
Banca No. 17619	do	19.49	173479	A. Luna	Do.
Banca No. 17620	do	18.72	173490	do	Do.
Banca No. 17622	do	7.02	173481	H. Reyes	Do.
Banca No. 17623	do	20.68	173486	F. Kaharian	Do.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Banca No. 17624	Banca	9.34	178490	P. Tlonsan	Manila.
Banca No. 17629	do	5.06	178508	C. Villacarlos	Do.
Banca No. 17630	do	5.53	178524	A. Aquino	Do.
Banca No. 17631	do	18.11	178527	A. Luna	Do.
Banca No. 17640	do	6.01	178579	N. Alejandro	Do.
Banca No. 17643	do	7.88	178589	C. Enrique	Do.
Banca No. 17649	do	7.08	178601	G. Pagsanghan	Do.
Banca No. 17650	do	9.96	178602	T. Sison	Do.
Banca No. 17653	do	7.62	178640	A. Moraga	Do.
Banlota	Sail	6.11	178683	P. Molt	Cebd.
Barge No. 7	Barge	12.13	178141	B. Fernández	Manila.
Barge No. 8	do	12.13	178142	do	Do.
Barge No. 9	do	12.13	178143	do	Do.
Barge No. 9	do	9.45	178801	Agno Tug and Light- er Co.	Do.
Barge No. 10	do	12.13	178144	B. Fernández	Do.
Barge No. 10	do	9.45	178302	Agno Tug and Light- er Co.	Do.
Barge No. 11	do	12.13	178145	B. Fernández	Do.
Barge No. 12	do	12.13	178146	do	Do.
Bartolome	Sail	6.86	178399	S. J. Reyes	Iloilo.
Basak	do	7.50	178600	Tayco	Jolo.
Basilan	Steamer	411.11	172922	Philippine govern- ment.	Manila.
Baturrillo	Sail	5.87	178540	R. Ballinato	Cebd.
Bella Antonia	do	6.88	178274	A. Oganiza	San Fernando.
Berola	do	6.80	178521	D. Berola	Oroquieta.
Barnardo	do	6.77	178407	R. Veloria	Manila.
Bestraña	do	80.95	178205	P. Vázquez	Cebd.
Betrocolo	do	25.68	178423	M. Calafat	Aparri.
Bicol	Steam launch	20.20	179029	G. Curry	Manila.
Biga	Sail	6.62	178421	P. Zabarte	Do.
Blanca Flor	do	6.85	172835	J. Aragonés	Aparri.
Bonanza	do	5.77	173309	U. Martinez	San Fernando.
Botero	do	5.82	179021	L. Botero	Cebd.
Buaron	do	5.20	173519	G. Buaron	Oroquieta.
Buen Consejo	do	6.28	172986	H. Liboon	Iloilo.
Buen Viaje	do	5.28	172828	P. Aman	Legaspi.
Buen Viaje	do	5.37	172870	S. Sumbrilla	Iloilo.
Buena Fortuna	do	7.44	173338	P. Bernaldo	Tacloban.
Buena Fortuna	do	5.29	173386	E. Caampued	San Fernando.
Buena Fortuna	do	5.88	178432	R. Carbejal and oth- ers.	Do.
Zambaleña	do	6.08	172787	A. Peralta	Aparri.
Buena Suerte	do	7.00	172838	C. Ragunjan	Do.
Buena Suerte	do	9.64	173554	B. Azarias	Nueva Caceres.
Buenaventura	do	8.71	173525	F. Arquillo	Aparri.
Bulldog	do	18.14	173217	M. Llorente	Cebd.
Bunuan	Steamer	1,088.21	172764	I. Tambunting	Manila.
Buscahalla	Sail	15.80	178628	C. Cemagala	Cebd.
Busuanga	Steamer	411.11	172923	Philippine govern- ment.	Manila.
C	Barge	108.77	172678	Manila Navigation Co.	Do.
Cabo Bojeador	Sail	5.38	178612	V. C. Suares	Aparri.
Cabuguaon	do	6.28	178087	S. Rillo	Cebd.
Cadiz	do	17.43	173506	G. de la Cruz	Iloilo.
Calapan	Lighter	47.81	172744	J. Franco	Aparri.
Calilayan	Sail	177.93	178465	A. Máximo	Manila.
Camucacoon	do	7.29	172780	H. Camacho	Aparri.
Candelaria	do	12.21	178246	M. Sales	San Fernando.
Cansojong	do	10.51	173541	N. Cabrera	Cebd.
Cantemplora	do	7.23	178185	Q. Pamini	Do.
Capitana	Banca	5.01	172710	S. Malajacan	Batangas.
Carmelito	Sail	10.77	178295	S. Ferry	San Fernando.
Carmen	do	11.03	173382	T. Bautista	Do.
Carmen	do	7.91	178441	J. Goroepo	Aparri.
Carmenita	Steam launch	16.73	172754	T. Earnshaw	Manila.
Carolina	do	20.07	172756	M. Earnshaw and others.	Do.
Carolina	Sail	8.46	178083	M. Ocual	Cebd.
Casco No. 4	Casco	10.58	173528	S. Zubeldia	Manila.
Casco No. 5	do	14.84	173529	do	Do.
Casco No. 6	do	14.75	173530	do	Do.
Casco No. 81	do	16.71	172843	V. Saguisin	Do.
Casco No. 88	do	16.60	173078	M. Rodriguez	Do.
Casco No. 127	do	16.32	173048	Z. Naval	Do.
Casco No. 179	do	47.51	172686	E. Soriano	Do.
Casco No. 220	do	36.17	172798	Q. Pascual	Do.
Casco No. 221	do	27.74	172709	C. V. Cruz	Do.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Casco No. 227	Casco	18.51	172908	D. Tomás	Manila
Casco No. 234	do	43.08	172804	F. Pangilinan	Do.
Casco No. 280	do	16.52	172864	A. R. Cruz	Do.
Casco No. 336	do	44.55	178118	L. Fernández	Do.
Casco No. 390	do	38.50	172708	D. Bernardo	Do.
Casco No. 400	do	17.98	172852	M. Dy-Inco	Do.
Casco No. 449	do	44.47	178090	P. Bernardo	Do.
Casco No. 609	do	35.56	173279	F. Turia	Do.
Casco No. 1027	do	9.46	178174	M. Dy-Inco	Do.
Casco No. 1084	do	12.87	172802	S. Sagulinsin	Do.
Casco No. 1182	do	49.89	172861	C. Vivas	Do.
Casco No. 1288	do	36.47	172858	S. Mercado	Do.
Casco No. 1387	do	25.64	178626	M. Dy-Inco	Do.
Casco No. 1511	do	29.72	172996	C. Rivera	Do.
Casco No. 1584	do	54.25	172848	L. Fernández	Do.
Casco No. 1578	do	28.69	172992	R. Mercado	Do.
Casco No. 1608	do	31.14	172727	R. Rodríguez	Do.
Casco No. 1616	do	28.99	172740	T. Ejército	Do.
Casco No. 1693	do	30.55	172878	I. Santos	Do.
Casco No. 1641	do	8.59	172994	G. Santos	Do.
Casco No. 1697	do	32.18	172888	R. Mercado	Do.
Casco No. 1729	do	81.05	172784	Ayala & Co.	Do.
Casco No. 1807	do	28.43	178105	P. Limpin	Do.
Casco No. 1834	do	20.72	172912	D. T. Santos	Do.
Casco No. 1921	do	30.89	178091	J. Bernardo	Do.
Casco No. 1942	do	44.07	172879	A. de Mesa	Do.
Casco No. 1950	do	30.55	172793	H. Sarino	Do.
Casco No. 1957	do	39.12	172999	E. Soriano	Do.
Casco No. 1978	do	29.97	178574	P. Reyes	Do.
Casco No. 1980	do	81.35	172863	G. Pinlac	Do.
Casco No. 1993	do	29.04	178153	P. Javier	Do.
Casco No. 2066	do	11.98	172805	G. Santos	Do.
Casco No. 2048	do	26.25	172944	M. de la Cruz	Do.
Casco No. 2101	do	29.42	178590	R. Mariano	Do.
Casco No. 2115	do	32.87	173253	P. Landas	Do.
Casco No. 2128	do	19.16	178062	J. Santa Maria	Do.
Casco No. 2131	do	28.81	172770	R. Mercado	Do.
Casco No. 2159	do	39.14	178177	L. Rivera	Do.
Casco No. 2166	do	26.55	173277	M. Lopez	Do.
Casco No. 2169	do	89.49	172973	A. Bana-ag	Do.
Casco No. 2181	do	25.13	178620	M. de la Cruz	Do.
Casco No. 2209	do	27.34	178154	T. Mendoza	Do.
Casco No. 2216	do	66.24	178104	L. R. Yangco	Do.
Casco No. 2237	do	31.14	178002	D. Bernardo	Do.
Casco No. 2253	do	61.62	172890	R. Soriano	Do.
Casco No. 2265	do	29.62	173208	F. de los Santos	Do.
Casco No. 2271	do	53.07	172919	B. Baltazar	Do.
Casco No. 2279	do	31.85	172731	T. Ayala	Do.
Casco No. 2308	do	18.47	172842	S. Cuencia and others	Do.
Casco No. 2312	do	36.71	172712	L. Ramos	Do.
Casco No. 2319	do	24.98	172715	C. Sevilla	Do.
Casco No. 2359	do	10.32	172849	V. Dionicio	Do.
Casco No. 2368	do	54.07	172679	Manila Navigation Co.	Do.
Casco No. 2370	do	66.72	172869	M. Lino	Do.
Casco No. 2371	do	58.10	178072	C. Pacheco	Do.
Casco No. 2372	do	56.82	172998	A. Luna	Do.
Casco No. 2374	do	16.64	172918	Q. Baluyot	Do.
Casco No. 2377	do	34.04	178151	T. Asuncion	Do.
Casco No. 2378	do	15.35	178060	A. Dionicio	Do.
Casco No. 2382	do	48.49	178115	V. Bernardo	Do.
Casco No. 2387	do	24.13	178113	D. Fernandez	Do.
Casco No. 2403	do	60.81	178127	J. Morente	Do.
Casco No. 2407	do	18.20	172789	A. Dairt	Do.
Casco No. 2409	do	62.17	172771	V. Villongco	Do.
Casco No. 2414	do	19.89	172839	B. L. Iap	Do.
Casco No. 2424	do	22.82	172907	B. Reyes	Do.
Casco No. 2426	do	55.33	172849	A. Baria	Do.
Casco No. 2427	do	55.33	172850	do	Do.
Casco No. 2431	do	13.00	178124	L. M. Songco	Do.
Casco No. 2439	do	22.03	178044	F. Nabon	Do.
Casco No. 2448	do	13.24	172885	D. de los Santos	Do.
Casco No. 2282	do	81.58	172751	C. Pineda	Do.
Casco No. 2455	do	17.72	172851	G. Garcia	Do.
Casco No. 2461	do	15.78	172968	J. Novera	Do.
Casco No. 2463	do	19.42	172796	C. Quicho	Do.
Casco No. 2465	do	50.25	178116	A. José	Do.
Casco No. 2466	do	46.39	178117	do	Do.
Casco No. 2468	do	25.37	172765	L. G. Rivera	Do.
Casco No. 2471	do	12.82	172735	F. Carlos	Do.
Casco No. 2473	do	41.44	172762	L. Manapat	Do.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Casco No. 2474.....	Casco.....	15. 80	172769	M. Mercado.....	Manila.
Casco No. 2476.....	do.....	32. 23	173788	G. Linson.....	Do.
Casco No. 2476.....	do.....	11. 41	172701	M. Tongco.....	Do.
Casco No. 2478.....	do.....	18. 32	172760	A. Valencia.....	Do.
Casco No. 2480.....	do.....	13. 32	173425	J. Hernandez.....	Do.
Casco No. 2481.....	do.....	58. 37	178110	A. Luna.....	Do.
Casco No. 2482.....	do.....	43. 12	172983	E. Goeco.....	Do.
Casco No. 2485.....	do.....	22. 85	178137	B. L. Isip.....	Do.
Casco No. 2486.....	do.....	19. 07	178615	J. Alejandro.....	Do.
Casco No. 2488.....	do.....	65. 70	173410	R. Santos.....	Do.
Casco No. 2489.....	do.....	54. 77	178108	A. Luna.....	Do.
Casco No. 2490.....	do.....	13. 63	172698	D. Santo Domingo.....	Do.
Casco No. 2494.....	do.....	61. 32	173156	J. Pascual.....	Do.
Casco No. 2496.....	do.....	31. 11	178123	L. M. Heras.....	Do.
Casco No. 2512.....	do.....	12. 35	172725	E. del Castillo.....	Do.
Casco No. 2513.....	do.....	35. 14	172724	R. Bautista.....	Do.
Casco No. 2514.....	do.....	11. 86	172763	F. del Rosario.....	Do.
Casco No. 2515.....	do.....	43. 37	172859	P. Gabriel.....	Do.
Casco No. 2516.....	do.....	10. 82	172911	J. Yojolco.....	Do.
Casco No. 2517.....	do.....	6. 74	172982	J. Castalone.....	Do.
Casco No. 2518.....	do.....	20. 84	173099	A. Santos.....	Do.
Casco No. 2519.....	do.....	46. 50	178412	F. A. Gaza.....	Do.
Casco No. 2520.....	do.....	21. 65	178464	G. Malines.....	Do.
Casco No. 2521.....	do.....	11. 63	173470	I. Naval.....	Do.
Casco No. 2522.....	do.....	16. 02	178488	T. Bernardo.....	Do.
Casco No. 2523.....	do.....	55. 31	173489	D. Tomacruz.....	Do.
Casco No. 2524.....	do.....	13. 08	173580	M. Santos.....	Do.
Catagaman.....	Sail.....	7. 33	173526	S. Corpus.....	Aparri.
Cauayan.....	do.....	8. 53	172782	H. Camacho.....	Do.
Cebu Water Boat.....	do.....	25. 46	173216	M. Llorente.....	Cebu.
Chas. H. Treat.....	Steam launch.....	40. 44	173128	Manila Navigation Co.	Manila.
Chata.....	Lighter.....	134. 79	172690	G. Lichauro.....	Do.
Chiao Chay Chin Po.....	Sail.....	12. 88	172948	D. Alvarado.....	Aparri.
Chiong.....	do.....	18. 44	173535	F. Chiong.....	Cebu.
Churruca.....	do.....	5. 78	178042	F. Cacayuan.....	Aparri.
Colon.....	Steam launch.....	9. 64	172979	G. W. Simmie.....	Manila.
Columbia.....	do.....	61. 52	178348	Atlantic, Gulf, and Pacific Co.	Do.
Conant.....	Sail.....	5. 93	173618	J. Fonacier.....	Aparri.
Concepción.....	do.....	5. 73	173082	S. del Mundo.....	Batangas.
Concepción.....	do.....	11. 22	173233	J. Pico.....	Aparri.
Concepción.....	do.....	10. 48	173242	V. F. Sanchez.....	San Fernando.
Concepción.....	do.....	10. 28	173648	V. Pulanes.....	Batangas.
Concha.....	Steam launch.....	47. 95	173067	A. V. Valencia.....	Manila.
Concha.....	Sail.....	10. 38	173149	M. Villanueva.....	Do.
Conching.....	do.....	5. 54	173609	O. Asores.....	Iloilo.
Conchita.....	do.....	7. 41	173564	J. Guidote.....	Nueva Cáceres.
Conegero.....	do.....	5. 77	173485	J. Conegero.....	Dumaguete.
Consolación.....	do.....	18. 02	172808	R. Borromeo.....	Cebu.
Consolación.....	do.....	22. 21	173028	L. Pelayre.....	Do.
Consolación.....	do.....	8. 07	173234	J. Pico.....	Aparri.
Consolación.....	do.....	7. 22	173622	R. Arquillo.....	San Fernando.
Consuelo.....	do.....	5. 58	172717	M. Hunt.....	Tacloban.
Consuelo.....	do.....	6. 81	173397	P. de la Cruz.....	Batangas.
Corazón de Jesús.....	do.....	14. 95	173342	R. Floresca.....	San Fernando.
Corazón de María.....	do.....	9. 67	173207	D. Ouano.....	Cebu.
Corazón de María.....	do.....	12. 07	173814	C. Verano.....	San Fernando.
Cordoba.....	Casco.....	6. 45	173607	M. Bondoc.....	Cebu.
Corredora.....	Sail.....	11. 79	172809	S. Agmalen.....	Do.
Corregidor.....	Steamer.....	411. 11	172924	Philippine Govern-ment.	Manila.
Culing.....	Sail.....	6. 10	173630	R. Diongson.....	Cebu.
Cumu.....	do.....	5. 80	172904	L. Daliuag.....	Aparri.
Cuyo.....	do.....	5. 61	173394	V. Gabayan.....	Puerto Princesa.
Dagundun.....	do.....	6. 85	173522	V. Dagundun.....	Oroquieta.
Dagupan.....	Lighter.....	71. 23	172745	J. Franco.....	Aparri.
Dalagan.....	Sail.....	6. 59	173353	S. Medina.....	Iloilo.
Dalenat.....	do.....	7. 12	172781	H. Camacho.....	Aparri.
Darigayos.....	do.....	19. 27	173251	N. Rodriguez.....	San Fernando.
De Galipa.....	do.....	6. 10	173517	M. Galipa.....	Oroquieta.
Deja.....	do.....	5. 51	172814	F. Deja.....	Cebu.
De la Paz.....	do.....	14. 41	172800	T. Daroy.....	Surigao.
De la Paz.....	do.....	15. 87	173409	J. Cajulis.....	Manila.
Diday.....	do.....	8. 04	173577	G. Lozada.....	Dumaguete.
Diligente.....	do.....	10. 24	173543	N. Arbotante.....	Cebu.
Dioscoro.....	do.....	16. 30	173220	D. Jagua.....	Do.
Divina Suerte.....	do.....	8. 25	173393	M. Naranjo.....	San Fernando.
Divino Infante.....	do.....	8. 25	173328	E. Pacquing.....	Do.
Doce.....	Casco.....	35. 17	173008	J. N. Reyes.....	Cebu.
Dolores.....	Sail.....	375. 71	172887	F. Reyes.....	Manila.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Dolores	Sail	28.99	173012	B. Lagura	Cebú.
Don Rufino	do	7.40	172827	S. Revillane	Legaspi.
Dorotea	do	9.68	173325	H. R. Spencer	Batangas.
Dos Amigos	do	6.52	173840	L. Caluya	San Fernando.
Dos Hermanas	do	6.95	173040	S. Agravante	Iloilo.
Dumiatia	do	5.67	173638	Sheik A. Badaha	Joló.
E	Barge	186.33	172680	Manila Navigation Co.	Manila.
E and A	Steam launch	38.24	173304	Macondray & Co.	Do.
Elena	Sail	6.56	173416	S. Umipig	San Fernando.
Elena	do	7.14	173564	Q. Gonzales	Batangas.
El Varadero III	Barge	126.58	173359	L. Osorio	Manila.
Encarnación	Sail	9.12	173315	J. Encarnación	San Fernando.
Eran	do	5.32	173403	Angok	Balabac.
Ernesto	do	8.24	173642	A. Montinola	Iloilo.
Esau	do	8.65	173218	M. Llorente	Cebú.
Escaý	do	5.41	172812	L. Luza	Do.
Esperanza	do	8.78	173122	M. Cuanang	Aparri.
Esperanza	Gasoline launch	6.06	173542	J. Mack	Cebú.
Esto	Sail	26.23	172894	M. Calafat	Aparri.
Estefanía	do	5.04	173570	R. Bagulao	Puerto Princesa.
Estrella	Steam launch	32.98	172703	L. Osorio	Manila.
Estrella	Sail	7.47	173271	I. Tugadi	San Fernando.
Estrella del Sur	do	8.73	173447	F. Consul	Do.
Eugenia	Lighter	250.22	172718	R. Soriano	Manila.
Eugenio Antonio	Sail	5.62	173215	E. Antonio	Tacloban.
Eulalia	Steam launch	25.00	172956	Philippine Lumber and Development Co.	Manila.
F Javelona	Sail	7.46	173606	F. Javelona	Cebú.
Fannie	Steam launch	17.49	173171	B. F. Taylor	Iloilo.
Felicidad	Sail	5.51	172823	C. Elena	Legaspi.
Felicidad	do	9.67	172824	S. Fallente	Do.
Felimon	do	14.65	173343	A. Ponce	San Fernando.
Felimon	do	5.69	173418	E. Gutche	Iloilo.
Felipe	do	6.33	173637	D. Cáceres	Do.
Felixberto	do	7.23	173191	C. Dejaresco	Cebú.
Feliza	do	7.44	172976	A. Triá	Manila.
Feliza	do	7.02	173646	P. Yuson	Batangas.
Feria	do	10.18	173500	F. Borja	Manila.
Fernández	do	5.96	173352	V. Fernández	Dumaguete.
Fernando	do	8.46	173569	A. Fairia	Puerto Princesa.
Ferrer	do	6.62	172817	F. Salgado	Cebú.
Fidel	do	11.07	172863	F. Domínguez	Do.
Filipinas	Steam launch	16.73	172758	M. Earnshaw	Manila.
Flameño	Lighter	30.76	172722	F. Flameño	Do.
Flor de Mayo	Sail	5.88	172826	F. Magallanes	Legaspi.
Flores	do	5.31	173082	R. Loma	Cebú.
Flores de María	do	8.00	173329	A. Cayquep	San Fernando.
Floring	do	8.62	173561	P. Veloso	Cebú.
Fluvial	do	9.08	172949	M. Kalata	Aparri.
Fortuna	do	5.78	173459	F. Caracas	San Fernando.
Francisco	do	41.02	173066	A. Osorio	Manila.
Francisco	do	7.56	173566	M. Torrico	Iloilo.
Franco	do	6.51	173656	N. Recelosa	Cebú.
Frasco	Steam launch	27.86	172706	G. E. Wolf	Manila.
Frutos	Sail	53.87	173532	F. de la Cruz	Iloilo.
G	Barge	166.29	173129	Manila Navigation Co.	Manila.
Ganuit	Sail	12.32	172779	H. Camacho	Aparri.
Gándara	Casco	24.15	173010	J. Lobregat	Cebú.
García Pitogo	Steamer	320.86	173617	L. v. Martínez	Manila.
Generoso	Sail	7.03	173627	F. Hedriano	Iloilo.
Germinal	do	9.43	173043	F. Paraggua	Aparri.
Geronima	do	10.00	172834	G. Tabuadoc	Dumaguete.
Gerundio	do	9.06	173653	G. Fermi	Nueva Cáceres.
Gil I.	do	168.86	173004	J. Rodríguez	Manila.
Gil López	Steamer	96.75	172914	Gil López	Iloilo.
Godoy	Sail	5.36	173085	B. Escalona	Cebú.
Gold	do	8.19	173189	D. Juano	Do.
Goleta	do	8.24	173406	Diañ	Balabac.
Good	do	41.32	173033	T. Madrid	Manila.
Gorin	do	32.50	173584	C. Rodríguez	Cebú.
Guesa	do	8.25	173650	M. M. Kaad	Puerto Princesa.
Gutierrez	Steam launch	54.69	172714	L. Criado	Manila.
H	Barge	167.80	173130	Manila Navigation Co	Do.
H. Sato	Fishing boat	7.31	172969	Q. Chico	Do.
Halad	Sail	8.12	173539	P. Halad	Cebú.
Hawk	Steam launch	36.50	173156	J. G. White & Co	Manila.
Heliotropo	Sail	6.63	173422	S. Encarnación	Aparri.

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Hermosa	Sail	7.85	173245	R. Mendoza	San Fernando.
Hingagao	do	10.59	173512	V. Poblador	Iloilo.
Hombobono	do	6.94	173006	H. Tupas	Cebú.
I.	Barge	165.72	173131	Manila Navigation Co	Manila.
I. Murakamy	Fishing boat	5.94	172971	Q. Chico	Do.
Ida	Sail	5.16	172896	P. S. Marcelo	Do.
Ignacio	do	22.56	173198	J. Osorio	Cebú.
Igualdad	do	6.76	172815	L. Juanco	Do.
Ilagan	do	8.38	172777	H. Canacho	Aparri.
Ilang	do	6.13	173193	S. Gallera	Cebú.
Illuminada	do	6.85	173616	J. Gonzales	Nueva Cáceres.
Illuminada	do	8.08	172748	E. Betita	Iloilo.
Industry	Steam launch	32.62	173347	Atlantic Gulf and Pacific Co.	Manila.
Infanta	Sail	9.03	172829	P. Aman	Legaspi.
Ione	Fishing boat	5.62	173446	G. W. Langford	Manila.
Irig	Sail	6.89	173013	T. Irig	Cebú.
Isabela	do	7.10	173019	A. Bragat	Do.
Isabelo	do	7.98	173575	J. Soliman	San Fernando.
Ivy	Lighter	14.16	173159	California-Manila Lumber Commercial Co.	Manila.
J. Bustamante	Steamer	1,074.96	171650	Compañía General de Tabacos de Filipinas.	Do.
Jérez	Sail	9.84	173562	M. Jérez	Iloilo.
Jesucristo	do	8.69	173492	F. Carolino	San Fernando.
Jilaitan	do	6.18	173037	M. Colljan	Dumaguete.
Jocunito	do	13.47	173624	M. Ortega	San Fernando.
Jopama	do	10.06	173567	P. del Villar	Tacloban.
José	Lighter	31.31	172723	J. Flameño	Manila.
Josefa	Sail	5.97	173565	L. Marquez	Cebú.
Joellin	do	9.88	173614	R. de Leon y G.	Aparri.
Juana	do	9.31	173076	R. Certesa	Manila.
Juana	do	9.59	173631	D. Olvido	Cebú.
Juan Bautista	Lighter	143.48	173303	M. Ungson	Manila.
Juanita	Sail	6.26	173020	N. Bogo	Cebú.
Juanita	do	8.66	173395	E. Palao	Puerto Princesa.
Juanito	do	38.96	173045	J. Rodríguez	Manila.
Juanito	Steam launch	7.89	173094	E. Toledo	Batangas.
Julia	Sail	10.75	173563	Palopalo	Balabac.
Juliana	do	14.98	172718	D. de los Reyes	Sorsogón.
K.	Barge	60.08	172675	Manila Navigation Co	Manila.
K. Tada	Fishing boat	6.31	172970	Q. Chico	Do.
Kababayan	Steamer	124.15	172884	T. R. Yangco	Do.
L.	Barge	58.85	172676	Manila Navigation Co	Do.
La Asunción	Sail	21.22	173596	L. Avila	Cebú.
Lacab	do	6.55	172905	E. Umayam	Aparri.
La Elección	do	21.12	173398	S. Dejarasco	Iloilo.
La Hija Florencia	do	6.95	173187	A. Fitong	Cebú.
La Inmaculada	do	9.50	173263	R. Lete	San Fernando.
La Libertad	do	13.84	173206	B. Modesto	Tacloban.
Lambayao	do	7.33	172811	G. Pifiaflor	Cebú.
Landugan	do	10.17	173402	H. Omar	Balabac.
Lapac	do	7.91	173654	R. Lapac	Nueva Cáceres.
La Paz	do	63.79	173358	I. Casiano	Manila.
La Perla	do	13.80	173647	A. Pastoriso	Batangas.
La Perla del Oriente.	do	14.90	173428	D. Joven	San Fernando.
La Purísima	do	5.89	173646	A. Gime	Batangas.
La Purísima Concepción.	do	6.31	173136	F. Marasigan	Do.
La Virgen	do	8.05	172801	V. Sumalpong	Surigao.
Leyte	Steamer	411.11	172925	Philippine government.	Manila.
Libertad	Sail	5.16	173516	A. Cabaraban	Oroquieta.
Lipay	do	6.88	173458	P. Afionuevo	Manila.
Lirio	do	5.06	173467	M. Cutaran	Aparri.
Lirio	do	8.78	173652	M. Enriquez	Tacloban.
Listo	do	9.72	173272	J. Cabildo	San Fernando.
Loay	do	5.10	173017	I. Lagura	Cebú.
Log.	do	22.34	172386	W. M. Brandt	Aparri.
Lolin	Lighter	134.79	172691	G. Lichauco	Manila.
Lope	Sail	5.60	173005	F. Paraguya	Aparri.
Loreto	do	14.67	173017	Ballon y Ca	Sorsogón.
Lorraine	do	7.11	173478	P. Azucurre	Nueva Cáceres.
Los Hermanos	do	6.58	172871	I. Torrefranca	Iloilo.
Lourdes	do	12.87	173290	W. Ahern	Cebú.
Loyola	do	432.66	173046	F. Reyes	Manila.
Luciano	do	9.45	172818	L. Angam	Cebú.

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Luctania	Sail	14.50	173285	C. Oliva	Manila.
Lullutuan	do	7.15	172774	H. Camacho	Aparri.
Luna	do	6.30	173363	P. Tugadi	Manila.
Luneta	do	11.21	173367	D. Quiño	San Fernando.
Luzón	Steam launch	22.65	172686	G. E. Wolf	Manila.
Luzón	Steamer	411.11	172926	Philippine government.	Do.
M.	Barge	60.08	172677	Manila Navigation Co	Do.
M. del Carmen	Steam launch	20.96	172747	F. Signenza	Do.
Mabills	Steamer	69.90	172772	T. R. Yangco	Do.
Macaulay	Steam launch	35.42	172700	B. Baldwin	Do.
Mactan	Steamer	221.21	172898	Mactan Shipping Co.	Do.
Madail	do	105.73	173098	T. R. Yangco	Do.
Madjos	Sail	6.37	172864	E. Lagumba	Cebú.
Manding	do	5.80	173634	B. Manding	Do.
Manere	do	6.27	173644	D. Manere	Batangas.
Manasa	do	5.08	173578	B. Sarmiento	Dumaguete.
Maquinilla	do	6.78	173219	C. Cubio	Cebú.
Margatungut	do	11.51	172784	H. Camacho	Aparri.
Maria	do	7.44	173523	T. Amora	Oroquieta.
Maria Concepción	do	8.47	173086	J. Gamú	Dumaguete.
Maria Fortuna	do	6.78	173576	B. Bonifacio	San Fernando.
Maria Josefa	do	6.60	173455	A. Muyo	Iloilo.
Marie Luisa	do	12.74	173632	R. Hall	Nueva Cáceres.
Marinduque	Steamer	411.90	172927	Philippine government.	Manila.
Mariposa	Sail	6.78	173364	P. Cefri	San Fernando.
Marshallian	do	45.87	173158	C. H. Henderson	Manila.
Martir	do	8.74	173188	L. Oppus	Cebú.
Mary	do	12.00	173386	M. Pascua	San Fernando.
Masbate	Steamer	411.11	172928	Philippine government.	Manila.
Matigom	Sail	7.19	172813	J. Cabel	Cebú.
Matnog	do	5.39	173625	E. Ubaldó	Tacloban.
Maud	Lighter	72.78	173250	Pasig Steamer and Lighter Co.	Manila.
Máxima	Sail	11.09	173228	P. Cayao	Puerto Princessa.
May	do	7.17	173041	V. Olvido	Iloilo.
Media Luna	do	17.68	173442	W. Horstman	Do.
Memnon	Lighter	113.14	172730	F. H. Hilbert	Manila.
Mercedes	Steam launch	5.87	172945	Manuel Pérez	Do.
Mercedes	do	5.49	173028	F. Sales	Cebú.
Mercurio	do	31.13	173514	F. Sanz	Iloilo.
Mercurio	do	12.86	173559	C. Aurelio	Aparri.
Micacela	do	5.12	173491	J. Baltazar	San Fernando.
Migreño	do	6.83	173536	A. Migreño	Cebú.
Millano	do	5.16	173879	M. Carambas	San Fernando.
Mindanao	Steamer	411.11	172929	Philippine government.	Manila.
Mindoro	do	411.11	172930	do	Do.
Misericordiosa	Sail	11.20	173016	V. Pasa	Cebú.
Molocabac	do	6.74	173018	E. Abong	Do.
Money	do	5.54	173611	D. Alvarado	Aparri.
Mont	Steam launch	33.48	173096	E. Rocha	Manila.
Morven	do	22.01	173262	J. J. Borres	Iloilo.
N. S. de Concepción	Sail	22.01	173051	P. Lasala	Manila.
N. S. de Gracia	Steamer	154.82	173054	M. Aniversario and other.	Do.
N. S. de Lourdes	Sail	10.40	173070	R. Concepción	Aparri.
N. S. de Salvación	do	8.57	173459	G. Rafanan	San Fernando.
N. S. de la Asunción	do	18.47	172858	A. de Lemos	Manila.
N. S. de la Paz	do	16.45	172855	F. Jaca	Do.
N. S. de la Paz	do	7.56	172788	L. Gonzalo	Aparri.
N. S. de la Paz	do	76.58	173162	M. San Juan	Cuyo.
N. S. de la Paz	do	5.91	173317	J. Encarnación	San Fernando.
N. S. de la Paz	do	5.96	173350	R. Pangalanan	Aparri.
N. S. de la Paz y Buen Viaje	do	6.17	172916	C. Ragudo	Do.
N. S. de las Mercedes	do	5.07	172985	F. Ellicaño	Subic.
N. S. del Carmen	do	5.28	173161	E. Gimenez	Aparri.
N. S. del Carmen	do	7.49	173362	A. Olorosismo	San Fernando.
N. S. del Carmen Antonio	do	6.66	173417	H. Fichay	Do.
N. S. del Mar Católica	do	6.13	173437	R. Bolseco and other.	Do.

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1905, including vessels marked * in letters R and T omitted from last special report—Continued.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
N. S. del Pilar.....	Sail.....	12. 40	173460	S. Camangian.....	San Fernando.
N. S. del Remedio	do.....	6. 21	173326	L. Faves.....	Do.
Comerciante.....	do.....	7. 14	172716	F. Vazques.....	Tacloban.
N. S. del Rosario.....	do.....	6. 31	173462	I. Garcia and other...	San Fernando.
N. S. del Rosariode	do.....	6. 10	173369	P. Tabungao.....	Tacloban.
Bani.....	do.....	14. 61	172693	L. Fernández.....	Manila.
Nable.....	Steam launch	7. 64	172778	H. Camacho.....	Aparri.
Naguilian.....	Sail.....	55. 03	173254	M. N. José.....	Manila.
Nate.....	do.....	11. 39	173269	C. Rayray.....	San Fernando.
Navegante.....	do.....	411. 11	172931	Philippine govern- ment.....	Manila.
Negros.....	Steamer	5. 04	172852	P. S. Marcelo.....	Do.
Nellie.....	Sail.....	51. 00	173093	R. Soriano.....	Do.
Nena.....	Steam launch	20. 33	172692	G. Lichauco.....	Do.
New York.....	do.....	5. 27	172961	Philippine Coastwise Transportation Co.	Do.
Nijujachi.....	Boat.....	5. 30	172960	do.....	Do.
Nijuhichi.....	do.....	6. 22	172962	do.....	Do.
Nijuku.....	do.....	11. 45	173264	J. Quicho and others	San Fernando.
Niño.....	Sail.....	8. 07	173211	T. Aris.....	Do.
Niño Jesús.....	do.....	12. 22	173307	M. Domingo.....	Do.
Nomia.....	do.....	19. 86	173587	P. de Jesús.....	Iloilo.
Nueva Esperanza.....	do.....	9. 44	173318	J. Encarnación.....	San Fernando.
Nueva Luna.....	do.....	139. 87	172790	J. Barbasa.....	Manila.
Nueva Zaragoza.....	do.....	92. 52	172681	Manila Navigation Co	Do.
O.....	Barge.....	6. 06	173565	P. Reyes and other...	San Fernando.
Ocho.....	Sail.....	8. 28	173493	L. Baugan.....	Do.
Oliveros.....	do.....	5. 75	173585	P. Olvido.....	Iloilo.
Olvido.....	do.....	7. 27	173001	F. Mendizabal.....	Manila.
Ondarros.....	do.....	35. 64	173349	Atlantic, Gulf and Pacific Co.	Do.
Oriente.....	Steam launch	11. 02	173066	F. Pingay.....	Cebú.
Oros.....	Sail.....	19. 95	173975	B. Martí.....	Manila.
Otoño.....	do.....	82. 46	172682	Manila Navigation Co	Do.
P.....	Barge.....	53. 51	173221	V. Reyes.....	Cebú.
P. Reyes.....	Steam launch	9. 91	172721	S. Cuenca.....	Manila.
Paciencia.....	Boat.....	10. 25	173345	M. Gorospe.....	San Fernando.
Pacita.....	Sail.....	9. 46	173478	H. Daud.....	Balabac.
Padonda.....	do.....	6. 66	173582	Y. Bofil.....	Iloilo.
Pague.....	do.....	411. 11	172932	Philippine govern- ment.....	Manila.
Palawan.....	Steamer	411. 11	172933	do.....	Do.
Panay.....	do.....	5. 15	172707	A. Pasano.....	Sorsogón.
Pasanito.....	Sail.....	8. 39	172757	M. Earnshaw, etc.....	Manila.
Pasig.....	Lighter.....	15. 37	173533	A. Noble.....	Do.
Partriarca San	Sail.....	8. 89	172865	E. Empasis.....	Cebú.
José.....	do.....	78. 59	172915	J. Bordman.....	Iloilo.
Patrocinio.....	Steamer	5. 16	172895	P. S. Marcelo.....	Manila.
Paul Revere.....	Sail.....	10. 70	172785	H. Comacho.....	Aparri.
Pauline.....	do.....	5. 87	172933	P. Rodulfo.....	Legaspi.
Payat.....	do.....	10. 58	172984	B. Mójica.....	Manila.
Payo.....	do.....	5. 16	173195	B. Barrientos.....	Cebú.
Pax.....	Steam launch	24. 69	173000	J. Robles.....	Legaspi.
Pelagia.....	Sail.....	6. 28	172743	F. Raquillo.....	Aparri.
Peñafrancia.....	Steam launch	10. 91	173150	M. Villanueva.....	Manila.
Peñasuerte.....	Sail.....	13. 00	173396	J. J. de Jesus.....	Batangas.
Pepe.....	do.....	22. 11	173119	J. P. Wilson.....	Manila.
Pepe.....	do.....	14. 42	173157	J. G. White & Co.....	Do.
Pepito.....	Steam launch	178. 00	172934	Philippine govern- ment.....	Do.
Petrel.....	do.....	411. 11	172935	do.....	Do.
Picket.....	Steamer	5. 43	173545	A. Pontanosa.....	Cebú.
Polillo.....	do.....	5. 12	173613	H. Atendido.....	Aparri.
Pontanosa.....	Sail.....	19. 94	173098	C. Concepción.....	Cebú.
Porfirio.....	do.....	21. 16	173184	do.....	Do.
Port Arthur.....	do.....	51. 83	172917	Manila Steamer and Transportation Co.	Manila.
Portuguesa.....	Casco.....	7. 01	172866	A. Libres.....	Cebú.
Powerful.....	Steam launch	12. 02	173461	S. Avile.....	San Fernando.
Preciosa.....	Sail.....	7. 74	173476	P. Fortun.....	Batangas.
Primavera.....	do.....	6. 70	173560	A. Celera.....	Iloilo.
Progreso.....	Gasoline launch.	82. 70	173133	Manila Navigation Co.	Manila.
Purificación.....	Sail.....	81. 04	173132	do.....	Do.
Q.....	Barge.....	45. 01	173482	M. Dantes and others.	Do.
R.....	do.....	249. 29	170237	C. B. Munillo.....	Cebú.
R. Kabangueño.....	Sail.....	6. 52	170274	L. Radasa.....	Do.
* R. Melliza.....	Steamer				
* Radasa.....	Sail.....				

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1906, including vessels marked * in letters R and T omitted from last special report—Continued.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
* Rafaela	Sail	46.53	170356	Philippine Shipping Co.	Iloilo.
* Rafaela	do	61.83	170882	T. Osmeña	Cebd.
* Rafaela	do	8.29	172089	M. Abanis	Catbalogan.
Rambler	do	6.65	173547	B. Lagura	Cebd.
* Ramona	do	33.57	170857	Luzon Steamer and Sail Lighter Co.	Iloilo.
* Ramona	do	5.07	171443	P. Málaga	Do.
* Ramoncita	do	98.89	172382	V. Isaac	Aparri.
Ranger	Steamer	254.03	172986	Philippine government.	Manila.
* Rápido	Sail	21.91	170684	M. Calafat	Aparri.
Rápido	Lighter	21.51	173194	J. M. Switzer	Cebd.
* Recuerdo	Sail	9.50	170447	M. Belino	Batangas.
* Recuerdo	do	3.78	171163	S. Ubaila	Do.
Recuerdo	do	5.27	173196	C. Diaz	Cebd.
* Redillas	do	7.43	172207	B. Redillas	Do.
* Redula	do	11.76	171561	A. Redulla	Do.
* Regadera	do	14.48	170280	J. M. Switzer & Co. ..	Do.
* Reginita	Steamer	59.26	171863	J. Barbeza	Manila.
* Registro	Sail	6.31	171061	J. Galves	Subig.
Registro	do	9.18	173368	R. Bautista	San Fernando.
* Remedadora	do	17.22	172216	C. Hibo	Cebd.
* Remedio	do	8.32	171995	M. Villanueva	Manila.
* Remedio	do	8.63	172518	J. de León	Do.
Remedio	do	6.16	173311	G. Cacho	San Fernando.
Remedio Agoo	do	5.78	173639	B. Augustin	Do.
Remedio Viajero	do	6.29	173436	G. Dalao	Do.
* Remedios	do	5.62	173827	M. Paroqui	Do.
* Remedios	do	42.31	170358	M. B. Asensi	Iloilo.
* Remedios	do	7.20	171883	M. Mercalida	Sorsogón.
* Remedios	Steam launch	42.83	172672	J. S. Michael	Manila.
Remedios	Sail	9.94	172822	P. Caloiet	Cebd.
Remedios	do	6.52	173201	P. Villena	Do.
Remedios	do	14.70	173243	E. Pascua	San Fernando.
Remedios	do	7.42	173244	J. Cabildo	Do.
Remedios	do	5.06	173649	G. Leanders	Batangas.
* Remigio	Lighter	114.87	171603	Rocha & Co	Manila.
Rentas Internas	Barge	46.69	172968	L. R. Yangco	Do.
* Resurreccion	Sail	10.06	170650	O. Juarez	Tacloban.
* Resurreccion	do	9.59	171187	E. Amoy	Cebd.
* Resurreccion	do	25.35	171299	C. Oliva	Manila.
* Resurreccion	do	11.00	171381	P. de la Paz	Subig.
* Resurreccion	do	5.56	171901	C. Naciero	Do.
* Reina Mercedes	do	5.54	170532	D. Umadap	Aparri.
Ricafort	do	6.16	172034	S. Ricafort	Cebd.
Ricardo	Lighter	15.81	170113	M. B. Asensi	Manila.
* Riqueza	Sail	49.41	171855	T. Rabadilla	Iloilo.
Rita	do	6.90	173454	P. Quilente	Aparri.
* Rizal	Steamer	48.18	170029	T. R. Yangco	Manila.
* Rizal	Sail	5.97	171407	D. Umadap	Aparri.
* Robert K	Steamer	322.51	171580	H. Krusl	Manila.
* Roberto	Lighter	83.69	170785	Manila Tug and Lighter Co.	Do.
* Robillos	Sail	8.88	171824	A. Robillos	Cebd.
Ricalloas	do	6.06	173107	K. Fabila	Iloilo.
* Rodulfo	do	6.10	170744	M. Rodulfa	San José de Buena-
Roge	do	11.65	172738	G. Villafior	Aparri.
* Rogelana	do	9.12	170553	C. Rabaya	Cebd.
* Román	do	5.46	170674	R. Baraclau	Do.
* Romana	do	49.54	170859	P. Vasquez	Iloilo.
Romblón	Steamer	411.90	172987	Philippine government.	Manila.
* Rómulus	do	858.94	171255	Compañía Marítima ..	Do.
* Romundo	Lighter	14.97	171068	C. Valero	Do.
* Rona	do	62.44	170430	Eclipse Lighter Co ..	Do.
Roque No. 3	Sail	9.57	173597	R. Adiong	Cebd.
* Rosa	Steamer	153.11	170255	A. Roe	Do.
* Rosa	Sail	7.25	171757	A. Lagos	Batangas.
Rosario	do	35.88	173204	Y. Ortiz	Cebd.
* Rosario Brillante	do	27.81	171293	M. Bragado and others	Manila.
Rosenda Cieto	do	6.69	173621	C. Abad	Aparri.
Rover	Steamer	96.22	172988	Philippine government.	Manila.
Rubi	Sail	14.12	173392	E. Quema	San Fernando.
S. de la Rama	Steam launch	56.72	173101	F. Rama and others ..	Manila.
S. Lázaro	Sail	8.27	172830	C. Alpay	Legaspi.
Sagnap	do	9.06	173537	D. Loma	Cebd.
Sagrado Corazón	do	21.13	173011	I. Sarmiento	Do.

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Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Salacas	Sail	5. 47	173404	H. Mahamed	Balabac.
Salanga	do	15. 60	173604	F. Salanga	Manila.
Salomague	do	6. 56	173511	C. Serrano	San Fernando.
Salvación	do	49. 71	172987	Pasig Steamer and Lighter Co.	Iloilo.
Salvación	do	5. 84	173089	D. Arceo	Do.
Salvación	do	8. 68	173270	E. Coriño	San Fernando.
Salvación	do	10. 72	173354	M. Arroyo	Iloilo.
Salvación Eterna	do	9. 47	173387	J. Baldivieso	San Fernando.
Salvación Humana	do	5. 15	173431	E. Ceso	Do.
Salvación Tres Hermanos	do	5. 00	173267	T. Tolentino	Do.
Salvador	do	6. 07	173180	C. Alvarez	Iloilo.
Samar	Steamer	411. 11	172989	Philippine govern- ment.	Manila.
Samson No. 2	Sail	6. 37	173629	A. Samson	Cebd.
Sanjuchi	Boat	8. 06	173284	Philippine Coastwise Transportation Co.	Do.
Sanjugo	do	6. 60	173285	do	Do.
Sanjubachi	do	8. 19	173288	do	Do.
Sanjubichi	do	9. 93	173287	do	Do.
Sanjuroku	do	8. 95	173286	do	Do.
Sanjusan	do	8. 78	173283	do	Do.
Sanoria	Sail	7. 18	178007	B. Sanoria	Do.
Sanson	do	12. 68	173401	H. Tasin	Balabac.
Santander	Lighter	212. 38	173346	Figueras Hermanos	Manila.
Santiago Carolina	Sail	5. 67	173388	F. Carolina	San Fernando.
Santiago de Galicia	do	5. 97	173385	P. Monje	Do.
Santiago	do	76. 03	173092	C. Valero	Manila.
Santiago	do	12. 24	173290	N. Enríquez	Nueva Cáceres.
Santiago	do	10. 06	173322	R. Siping	San Fernando.
Santísima Trinidad	do	13. 33	173360	C. Ferla and others	Manila.
Santísima Trinidad	do	6. 90	173553	C. Antonio	Aparri.
San Augustin	do	6. 94	172890	A. Ragaza	Do.
San Alejo	do	7. 58	173551	E. Gorospe	Do.
San Andrés	Steam launch	19. 73	173134	A. Samson	Manila.
San Andrés	Sail	14. 71	173332	F. Perez and others	San Fernando.
San Andrés Con- feor.	do	8. 03	173371	R. Castro	Do.
San Andrés Donato	do	6. 11	173440	L. Donato	Do.
San Antonio	do	11. 00	172776	H. Comacho	Aparri.
San Antonio	do	5. 03	172832	M. Cacayuan	Do.
San Antonio	do	5. 31	172844	B. Lildo	Cuyo.
San Antonio	do	17. 02	173120	R. Abeleda	Manila.
San Antonio	do	7. 08	173450	A. Fabis	San Fernando.
San Apolonio	do	13. 20	173197	A. Datay	Cebd.
San Daniel	do	5. 76	173641	P. Alivio	Iloilo.
San Emilliano	do	11. 76	173429	Gil Andia	Do.
San Esteban	Barge	66. 57	173503	E. Rlu	Manila.
San Felipe	Sail	15. 81	173186	G. Dumpor	Cebd.
San Florencio	do	82. 59	172487	F. Baltazar	Manila.
San Francisco	do	6. 77	172997	F. Arquillo	Aparri.
San Francisco	do	16. 46	173057	E. Atienza	Manila.
San Francisco	do	10. 01	173079	H. Sonico	Aparri.
San Francisco de Asis.	do	7. 12	172845	P. Reynoso	Cuyo.
San Gabriel	do	13. 84	173014	P. Segaral	Cebd.
San Ignacio Arzaga	do	10. 65	173509	I. Arzaga	San Fernando.
San Isidro	do	9. 67	173038	M. Solde	Dumaguete.
San Isidro	do	7. 57	173468	J. Nolasco	San Fernando.
San Isidro	do	5. 64	173520	G. Pelaez	Oroquieta.
San Isidro Bay	do	7. 74	173483	M. Sumaraga	Puerto Princesa.
San José	do	14. 47	172897	D. Darlo	Manila.
San José	do	6. 50	172816	H. Sabijon	Cebd.
San José	do	14. 14	173230	V. Erasmo	Dumaguete.
San José	do	7. 18	173240	E. Parocha and others	San Fernando.
San José	do	7. 12	173323	E. Paglilgan	Batangas.
San José	do	6. 23	173351	C. Pitas	Aparri.
San José	do	6. 71	173320	J. Bone	San Fernando.
San José I	Steamer	180. 11	172960	F. Malcampo	Zamboanga.
San José II	do	102. 00	173075	M. Pérez	Manila.
San José Castrence	Sail	14. 28	173341	L. Castrence	San Fernando.
San José de Canton	do	8. 26	173414	P. Pascua	Do.
San José Jesus	do	9. 17	173413	B. Escobar	Do.
San Juan	do	6. 23	172759	E. Ragaza	Aparri.
San Juan	do	5. 06	172892	A. Tapauan	Do.
San Juan	do	5. 23	173571	D. Presto	Puerto Princesa.
San Juan Bautista	do	7. 56	173025	A. Catorre	Cebd.
San Juan Bautista	do	6. 02	173330	P. Villena	San Fernando.
San Juan Bautista	do	8. 11	173339	J. Galban	Do.

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Vessel.	Rlg.	Gross tonnage.	Official number.	Name of owner.	Home port.
San Juan Castellano.	Sail.	10. 97	173366	C. Castellano	San Fernando.
San Juan de Sahagun.	do	62. 21	173291	G. R. Sy-Kia	Manila.
San Julio	do	5. 34	173561	J. Gorospe	San Fernando.
San Lorenzo.	do	6. 44	173268	P. Lozano	Do.
San Lorenzo.	do	5. 12	173231	D. Alvarado	Aparri.
San Luis de Guinayangana.	do	93. 20	173034	V. L. Evangelisto	Manila.
San Marcelino.	do	5. 32	173372	J. Quintela	San Fernando.
San Marcelo.	do	8. 06	173377	A. Degracia	Do.
San Marcos.	do	7. 72	172372	C. H. Merseburg	Iloilo.
San Miguel.	do	5. 22	172366	R. Madarang.	Subic.
San Miguel.	do	6. 53	172391	F. Agapinan	Aparri.
San Miguel.	do	7. 06	173375	A. de los Reyes.	San Fernando.
San Miguel Arcangel.	do	7. 52	173390	S. Dasalla	Do.
San Miguel Mabatic.	do	11. 65	173438	R. Cardosa	Do.
San Modesto.	do	7. 74	172761	M. Ranada	Aparri.
San Narciso.	do	18. 56	173181	C. Arañas and others.	Manila.
San Nicolás.	Steam launch	15. 07	172920	R. B. Scott	Do.
San Nicolás.	Sail.	9. 56	173308	R. Pasion and others.	San Fernando.
San Nicolás.	do	7. 98	173572	L. Buñag	Puerto Princesa.
San Nicolás.	do	12. 40	173576	P. Sampayan	San Fernando.
San Nicolás de Paz.	do	5. 08	173383	S. Ungria	Do.
San Nicolás de Tolentino.	do	9. 58	173229	M. Cayao	Puerto Princesa.
San Pablo Atento.	do	10. 08	173313	A. Atento	San Fernando.
San Pedro.	do	9. 96	173298	N. Sison and others.	Do.
San Pedro Arañas.	do	9. 67	173344	P. Arañas	Do.
San Pedro Atrevido.	do	29. 40	173427	E. Atrevido.	Manila.
San Pedro Evangelista.	do	14. 59	173306	P. Naungagan	San Fernando.
San Pedro Ilocano.	do	8. 12	173319	J. Unate and others.	Do.
San Pedro de Lapo.	do	9. 39	173434	T. Rafada	Do.
San Pedro de Tavoc.	do	5. 60	173430	P. Acierto	Do.
San Pedro Telmo.	do	7. 38	173623	P. Arguillo	Do.
San Rafael.	do	8. 46	172473	A. Tina.	Iloilo.
San Rafael Lazo.	do	6. 79	173334	M. Lazo	San Fernando.
San Rafael Rubianes.	do	10. 06	173333	R. Rubianes	Do.
San Regino.	do	9. 68	170414	C. Abarca	Tacloban.
San Roque.	do	6. 49	172758	E. Ragasa	Aparri.
San Roque.	do	7. 10	172991	C. Abad	Do.
San Roque.	do	5. 95	173312	L. Califlores	San Fernando.
San Roque.	do	7. 68	173502	E. de Guia	Manila.
San Roque Curimaos.	do	9. 79	173384	B. Quitortiano	San Fernando.
San Vicente.	do	8. 74	172737	C. Lagundim	Aparri.
San Vicente.	do	6. 44	172797	B. de Vela	Manila.
San Vicente.	do	7. 70	122906	J. Duldulao	Aparri.
San Vicente.	do	5. 87	173069	F. Rabanal	Do.
San Vicente.	do	5. 48	173160	D. Umadap	Do.
San Vicente.	do	8. 32	173163	A. de Guzman	Do.
San Vicente.	do	11. 11	173297	F. Acierto	San Fernando.
San Vicente.	do	8. 93	173381	B. Quitortiano	Do.
San Vicente.	do	7. 74	173391	V. Ramirez.	Do.
San Vicente.	do	6. 35	173484	P. Ablo.	Puerto Princesa.
San Vicente.	do	5. 44	173494	V. Ruelos	Aparri.
San Vicente.	do	7. 86	173513	S. Abionag	Iloilo.
San Vicente Bantay.	do	9. 30	173374	J. Gorospe	San Fernando.
San Vicente Ferrer.	do	10. 22	173310	P. Naungayan	Do.
San Vicente Iloco.	do	8. 06	173380	L. Costales and others.	Do.
San Vicente Vigo.	do	12. 40	172913	S. de la Fuente	Manila.
Santa Ana.	do	8. 78	172696	I. de la Cruz	Aparri.
Santa Ana.	do	9. 48	172362	F. Ifurung	Do.
Santa Ana.	do	6. 08	173258	A. Sanchez	Iloilo.
Santa Bernabela.	do	7. 83	173568	A. Bundoc	Puerto Princesa.
Santa Bernalda.	do	7. 83	172374	A. Bundac	Iloilo.
Santa Catalina.	do	7. 06	173121	A. Fejero.	Dumaguete.
Santa Catalina.	do	6. 77	173266	A. Alconcel	San Fernando.
Santa Clara.	do	28. 39	172319	E. Burgos	Cebu.
Santa Clara.	do	12. 71	173373	J. Quillopras	San Fernando.
Santa Dominga.	do	9. 90	172906	A. Lanagon	Cebu.
Santa Elena.	do	6. 15	172741	B. de la Cruz	Aparri.
Santa Filomena.	do	8. 27	172711	L. Arlegui	Do.
Santa Inés.	do	6. 06	172760	J. Gorospe	Do.
Santa Isabel.	do	7. 14	172776	H. Camacho	Do.
Santa Isabel.	do	9. 87	173293	J. Andrada.	San Fernando.
Santa Juana.	do	5. 91	173226	P. Bundac	Puerto Princesa.

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1905, including vessels marked * in letters R and T omitted from last special report—Continued.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
Santa Lucia	Steam launch	38.35	172687	R. Mercado	Manila.
Santa Lucia Festejo.	Sail	13.70	173296	P. Festejo	San Fernando.
Santa Maria	do	6.44	172742	P. Raguindin	Aparri.
Santa Maria	do	112.04	173655	R. Lagdameo	Manila.
Santa Maria Magdalena.	do	16.66	173603	P. de Lemos	Do.
Santa Mesa	Barge	10.60	172902	A. F. Allen and others.	Do.
Santa Petrona	Sail	8.95	173562	J. Desanito	San Fernando.
Santa Rosa	Steamer	88.36	173356	R. Reyes	Manila.
Santa Rosa	Sail	7.62	173316	P. Singson	San Fernando.
Santa Victoria	do	6.42	172493	E. Rafanan	Aparri.
Santo Domingo	do	6.33	172836	E. Ragaza	Do.
Santo Domingo	do	6.22	173331	F. Domingo	San Fernando.
Santo Niño	do	5.33	173068	F. Corpus	Aparri.
Santo Niño	do	6.46	172990	H. Camacho	Do.
Santo Rosario	do	5.74	173506	R. Santos	Manila.
Santo Santiago	do	6.64	173531	M. Carrilla	San Fernando.
Santo Tomás No. 2.	do	8.78	173657	E. Duque	Cebd.
Seis Hermanos	do	5.87	173355	J. Alvares	Iloilo.
Seno	do	5.60	173081	C. Ceno	Cebd.
Señorito	do	5.95	173544	A. Quintenar	Do.
Sentinel	Steamer		172940	Philippine government.	Manila.
Serafin	Sail	8.66	173335	J. Singson	San Fernando.
Sevilla	do	5.87	173594	G. Sevilla	Cebd.
Sibul	Steamer	126.85	173501	T. R. Yangco	Manila.
Siguenza	Lighter	192.69	173109	J. Gaspar	Do.
Shiju	Fishing boat	6.34	173289	Philippine Coastwise Transportation Co.	Do.
Silvestre	Sail	6.83	173546	S. Bacaltos	Cebd.
Simbad	do	6.92	173453	V. Balao	Aparri.
Sinabbaran	do	9.83	172786	H. Camacho	Do.
Sinajon	do	6.79	173022	P. Sinajon	Cebd.
Singsing	do	11.12	172943	C. Baluyot	Manila.
Sixta	do	13.42	172-25	L. Zuleta	Legaspi.
Sixto	do	16.30	163456	E. Jereza	Iloilo.
Socorro	do	7.51	173431	C. Ricafrete	Batangas.
Sofia	Steam launch	35.95	172894	J. Flameño	Manila.
Sol	Sail	6.06	173365	C. Castellano	San Fernando.
Sol de María	do	8.25	173445	J. A. Acierito	Manila.
Sorsogón	do	8.98	172749	G. Córdoba	Iloilo.
Steam Launch No. 18.	Steam launch	20.58	172950	San Nicolás Iron Works (Limited.)	Manila.
Sterling	do	5.32	172707	F. Gonzales	Do.
Suay	Sail	12.07	173558	P. Toledanes	Iloilo.
Suriagao	Banca	6.12	173605	G. Luarca	Batangas.
Suteraña	Sail	5.62	173282	D. Campantero	Iloilo.
Swift	Steam launch	35.75	172704	P. Ballesteros	Manila.
Tablas	Steamer	411.11	172941	Philippine government.	Do.
Tabotabo	Sail	16.16	173598	B. Estrelor	Cebd.
*Talyo	do	415.64	170984	B. Havener	Manila.
Tala-Tala	do	5.57	173477	Tanbiling	Balabac.
Teodula	do	6.49	173172	C. E. Schwebel	Batangas.
Teofista	do	11.67	173596	G. Cortés	Cebd.
Teresa	do	8.19	173030	V. Lecares	Batangas.
Teresa	do	7.84	173084	N. Europeo	Cebd.
Teresa	do	5.62	173222	F. Bacilag	Do.
Teresa No. 2	do	8.27	173549	A. Deogrades	Do.
Tigues	do	6.32	172821	G. Tobiras	Do.
Timaua	do	6.67	173443	F. Tabelona	Iloilo.
Timbok Campong	do	5.69	173400	Suab	Balabac.
Timapay	do	5.01	173015	C. Tinapay	Cebd.
Toledo	do	7.29	172810	P. Loay	Do.
Tomampus	do	9.52	173498	R. Tumampus	Tacloban.
Tommy	do	6.10	172755	M. Earnshaw & Co.	Manila.
Torreño	do	9.80	173636	L. Carnas	Cebd.
Traveller	do	11.59	172732	R. B. Scott	Manila.
Traviesas	do	7.95	172831	J. Lobregat	Tacloban.
Tres Hermanos	do	10.57	172875	B. Estevan	Iloilo.
Tres Hermanos	do	20.95	173179	A. Asencio	Do.
Tres Hermanos	do	14.51	173518	I. Morfa	Oroquieta.
Trinidad	do	30.43	173009	J. Lobregat	Cebd.
Triunfante	do	17.52	173466	D. Cabeliza	Aparri.
Troy	Steamer	74.55	172942	Philippine government.	Manila.
Tuguegarao	Sail	7.56	172783	H. Camacho	Aparri.
U	Barge	110.61	173495	Manila Navigation Co.	Manila.
Ugat	Sail	30.28	173071	S. Corpuz	Aparri.

*Alphabetical list of coastwise vessels documented in the Philippine Islands to which official numbers were assigned during the period from August 1, 1904, to June 30, 1905, including vessels marked * in letters R and T omitted from last special report—Continued.*

Vessel.	Rig.	Gross tonnage.	Official number.	Name of owner.	Home port.
V.....	Barge.....	110. 61	178496	Manila Navigation Co.	Manila.
Valencia.....	Casco.....	41. 08	172807	D. Leyson.....	Cebd.
Valerosa.....	Sail.....	9. 80	178202	E. Tinson.....	Do.
Vásquez.....	do.....	15. 64	178426	F. Vásquez.....	Tacloban.
Veloz.....	do.....	85. 43	178261	J. Lacson.....	Iloilo.
Vencedor.....	do.....	5. 67	173080	T. Losañana.....	Cebd.
Vencedor.....	do.....	6. 39	178260	R. Retodo.....	Iloilo.
Venus.....	do.....	7. 06	172837	M. Ranada.....	Aparri.
Viajero.....	do.....	6. 04	173469	A. Domondon.....	San Fernando.
Victoria.....	do.....	5. 59	173292	J. Andrada.....	Do.
Victoria.....	do.....	9. 84	178475	J. Bayat.....	Batangas.
Victoria.....	do.....	9. 00	173610	M. Tajonera.....	Manila.
Victorina.....	do.....	10. 23	178408	D. Flores.....	Do.
Vigilante.....	Steam launch.....	84. 81	172699	T. R. Yangco.....	Do.
Villaceran.....	Sail.....	5. 84	178598	J. Villaceran.....	Cebd.
Villaflor.....	do.....	8. 99	178259	P. Villaflor.....	Iloilo.
Villanueva.....	Lighter.....	140. 63	178387	F. Hermanos.....	Manila.
Villanueva No. 2.....	Sail.....	16. 06	178548	J. Vañó.....	Cebd.
Visitación.....	do.....	5. 61	172726	F. Guerrero.....	Aparri.
Vitaliana.....	do.....	8. 58	173510	P. Obosa.....	San Fernando.
Vivo.....	do.....	8. 30	178227	A. Owe.....	Puerto Princesa.
Voluntad.....	do.....	6. 36	173200	N. Butalid.....	Cebd.
Yortel.....	Casco.....	17. 53	178280	S. Oquifiena.....	Do.
Yusup.....	Sail.....	6. 50	178599	Yusup.....	Joló.

The foregoing lists, in connection with the list published in the third special report of the collector of customs for the Philippine Islands, embraces all the vessels documented in the Philippine Islands up to and including June 30, 1905.

APPENDIX D.

OFFICE OF THE DEPUTY SURVEYOR OF CUSTOMS,
IN CHARGE OF ARRASTRE PLANT,
Manila, August 15, 1905.

SIR: I have to submit herewith the report of the operations of the Arrastre plant for the fiscal year ended June 30, 1905.

The work of the plant and the service given the importers have been continued on the lines established in the eight and one-half months of the previous fiscal year, after the purchase of the plant by the government and its operation by the customs service, since October 16, 1903, as fully detailed in the report of last year. Better service, however, has been given and better results secured, guided by the experience then obtained.

On July 1, 1904, the reduced rates ordered by you were put in force and have since obtained, viz: From ₱1.50 to ₱1.25 a ton for warehouse delivery, and ₱1 to ₱0.90 for wharf delivery. Under the stimulus of the lower charge for wharf delivery, aided by the quicker dispatch there possible, there has been a marked increase in the proportion of merchandise stored on and delivered from the wharf as compared with the warehouses. As shown by the figures below, the proportion has doubled, increasing from 0.168 per cent in the last half of the fiscal year 1904 to 0.327 per cent in that of 1905.

Further improvements have been added to the plant, decreasing the cost of operation and increasing the facilities to the importers for taking delivery of their merchandise. Additional platforms at the warehouses for both receiving and delivering have been constructed, the track of the tramway partially relaid with heavier rail and its roadbed improved, one warehouse materially repaired, metal-roof awnings built over many of the receiving and delivering platforms for protection of merchandise against rain, and considerable paving and guttering done in making new drive-ways to the platforms. A hand-power derrick crane has been erected in the yard for handling galvanized roofing iron and heavy machinery, the use of which has saved to the importers 25 to 30 centavos a ton on roofing iron, reducing the cost of that article to purchasers. Altogether ₱6,962.43 were expended in repairs and improvements to the plant, besides about ₱5,000 due but not paid, the bills not yet being presented.

The business transacted by the Arrastre plant for the year, being the handling of all the general importations coming to the custom-house, is shown by the following:

	Tons.
Merchandise delivered from wharf	31, 430. 15
Merchandise delivered from warehouses	68, 084. 16

Total tonnage of merchandise landed at custom-house	99, 514. 31
Merchandise given pasé delivery not landed at custom-house	42, 375. 08

During the previous fiscal year ended June 30, 1904, an estimate based on the record of the eight and one-half months of the operation of the Arrastre plant by the custom-house shows that there were landed 97,000 ton and that there were given pasé delivery 72,800 tons. The marked decrease in the merchandise given pasé delivery is due to the better and more rapid discharge of cargoes in the bay under the "running check" regulations of the customs service, so that much merchandise which formerly was required to touch at the custom-house wharf for pasé delivery is now given ship's-side delivery, a considerable saving to importers.

The operations of the Arrastre plant are shown in more detail by the following, giving the amount of merchandise handled in tons by periods of six months:

	January to June, 1904.	July to De- cember, 1904.	January to June, 1905.
Wharf delivery	10, 802. 54	12, 880. 01	18, 550. 14
Warehouse delivery	38, 999. 62	29, 876. 65	38, 207. 51
Total	49, 802. 16	42, 756. 66	56, 757. 65
Expense of operation	P47, 588. 77	P37, 307. 80	P36, 585. 10
Percentage of merchandise delivered from—			
Wharf .....	.168	.301	.327
Warehouse .....	.832	.699	.673

The cost per ton for handling the imported merchandise within the custom-house has been reduced by one-third.

Due to improved methods and the bettering of facilities, a greater volume of work has been accomplished with an actual reduction of employees. The number of the administrative force and clerks has been reduced from 9 to 8, of the skilled and semi-skilled employees from 57 to 48, and of laborers (average) from 140 to 80. The maximum number of laborers employed at any one time was 175, as against 332 in the previous fiscal year.

There has been no trouble in securing laborers nor in obtaining good results. The experience of the Arrastre plant shows no difficulty over the question of Filipino labor. Under a right system—which means chiefly a very large, constant, and repeated superintendence, joined with firm but fair treatment—good results are obtained. The majority of the Arrastre laborers are Pampangans. The wages paid are the same as for last year—90 centavos a day—except that a limited number of the best and most steady are paid P1 a day.

The operation of the Arrastre plant by the custom-house has saved the following amounts to the importers of Manila during the past fiscal year, as compared with what they would have paid under the old system:

By reduction of rate for warehouse delivery from P1.50 to P1.25	P17, 021. 04
By reduction of rate for wharf delivery from P1.50 to P1	15, 715. 08
By further reduction of wharf rate from P1 to P0.90	3, 143. 01
By abolition of the charge on pasé deliveries	21, 187. 54
By the Arrastre plant making deliveries from warehouses and handling the sample packages	49, 757. 15
Total	106, 823. 82

A very large additional saving has been effected for the importers by reducing the time of discharging lighters at a wharf, thereby eliminating the expense of demurrage, which formerly existed. They have also saved by reducing the force of representatives necessary for transacting custom-house business, and in a number of other ways.

The statement of finances of the Arrastre plant for the year from July 1, 1904, to June 30, 1905, is as follows:

DEBITS.

Treasurer's balance July 1, 1904.....	₱8,780.16	
Disbursing officer's balance July 1, 1904.....	1,777.24	
Cash balance July 1, 1904.....	3,152.74	
Total balances July 1, 1904.....		₱13,710.14
Gross cash receipts.....	115,936.10	
Refunded.....	55.18	
Arrastre collections, net.....		115,880.92
Miscellaneous sources.....		11.92
Total debits.....		129,602.98

CREDITS.

Reimbursement to general fund, government of Philippine Islands....	₱14,000.00	
Expenses:		
Labor.....	₱16,674.20	
Salaries.....	43,808.75	
Supplies.....	5,502.22	
Plant.....	6,962.43	
Overtime.....	783.00	
Total expenditures.....		73,730.60
Treasurer's balance June 30, 1905.....	33,767.18	
Disbursing officer's balance June 30, 1905.....	6,253.48	
Cash balance June 30, 1905.....	1,851.72	
Total balance June 30, 1905.....		41,872.38
Total credits.....		129,602.98

As stated above, there are bills payable, not yet presented, to the amount of about ₱5,000.

It is only a question of time when a considerable portion of the machinery of the plant will have to be replaced. Most of the machinery—such as three of the steam derrick cranes and one locomotive—is old and of an obsolete pattern, having been purchased under the Spanish régime. It is a constant source of expense for repairs. At least two steam cranes should be replaced before long and an additional one purchased, and the old locomotive also replaced. This expense, which can not be postponed many months, will entail a very large expenditure, and renders necessary the gradual accumulation of a considerable surplus.

Notwithstanding the lowering of the charge a year ago, the reduction of expenses which has been effected the past year has rendered possible a fair profit. There is absolutely no objection nor dissatisfaction with the present charge on the part of importers, owing no doubt to the savings effected for them, as stated above. It is recommended, therefore, that no change be made in the present charge and that the surplus be allowed to continue, so as to purchase the new machinery when needed.

Respectfully,

CLIFFORD D. HAM,
Deputy Surveyor of Customs.

The COLLECTOR OF CUSTOMS
FOR THE PHILIPPINE ISLANDS.
(Through office of insular surveyor.)



EXHIBIT No. 6.

ANNUAL REPORT OF THE COLLECTOR OF INTERNAL REVENUE.

DEPARTMENT OF FINANCE AND JUSTICE,
BUREAU OF INTERNAL REVENUE,
OFFICE OF THE COLLECTOR,
Manila, P. I., September 25, 1905.

SIR: Complying with instructions of July 12, 1905, I have the honor to submit herewith report of the operations of this bureau from August 1, 1904, to July 31, 1905. This includes the first year's enforcement of act 1189 of the Philippine Commission known as "the internal-revenue law of nineteen hundred and four;" the collections and other statistical information herein being segregated, for future ease of reference, into two periods, (1) for the last eleven months of the fiscal year ended June 30, 1905, and (2) for the month of July, 1905.

The internal-revenue law was enacted by the Philippine Commission on July 2, 1904; the taxes on the manufacture of alcohol and tobacco products, and on banks and bankers and insurance companies were made effective on August 1, 1904, the remaining taxes to become effective on January 1, 1905. It was not practicable to prepare in anticipation the necessary record books, stamps, and forms for use in the collection of the taxes. Therefore on August 1, 1904, a temporary system for the collection of the taxes was provided in accordance with the provisions of section 152 of the law, which reads as follows:

"Until the collector of internal revenue shall have the proper books, stamps, and forms ready for distribution, the methods provided for the administration of this act shall not be required; and he is empowered to make such temporary regulations and arrangements for the collection of the taxes imposed by this act as will not unduly embarrass or interrupt the business of the persons affected thereby."

On January 1, 1905, the stamps, forms, and record books were ready and the permanent system was installed on that date in Manila and in the near-by provinces, and as soon thereafter as practicable in the more distant of the provinces.

In some of the more remote islands the permanent system is not as yet in thorough working order, but what remains to be done it is believed will be accomplished within the next few weeks. Internal-revenue taxes, under the permanent system, are now being collected in every municipality from the Batan group of islands, across the channel from the Japanese island of Formosa, to Balabac and the Sulu Archipelago, near the coast of Borneo. From some of these towns the mail facilities are as yet so inadequate that it takes a report of collections about as long to arrive in this office as it would take to go twice around the world. Besides the city assessor and collector of Manila there are 815 provincial treasurers and their traveling and stationary deputies engaged in the collection of these taxes. Over 90 per cent of these collectors of taxes are native Filipinos and all have had to be instructed in the provisions of the law and in their duties under a system of tax collections entirely new to these islands. Many reports of taxes erroneously collected have been returned for correction. But these administrative difficulties are being surmounted one by one, and as the days go by the provincial treasurers and their deputies show a constant increase in efficiency.

Under these adverse conditions it is not to be expected that final reports of all taxes collected during the last fiscal year would be in this office on the date of the making of this report. Even when the system is in perfect running order throughout the Philippine Islands it will not be possible before or much before the end of the calendar year to make a final report of the taxes collected during the preceding fiscal year. Therefore it has become necessary in this report to give the tax collections for the months during which reports of such collections were received in this office and not for the months during which the collections were actually made. The report of actual collections will be compiled hereafter and will show somewhat of an increase on the figures given herein.

OLD TAXES REPEALED BY ACT NO. 1189.

During the Spanish régime internal-revenue taxes were collected on (1) contract for the sale of opium, (2) lotteries, (3) coinage of money, (4) urban property, (5) forest products, (6) documentary stamp taxes, (7) cédulas personales or poll taxes, and (8) industries of all kinds. Of these taxes the first three were suspended upon the American occupation and have not been revived; the fourth, the tax on the rental of urban property, was amended after the American occupation and was finally abolished by Acts Nos. 183 and 223 of the Philippine Commission and replaced by the real estate tax. The remaining four taxes, in a somewhat amended form, remained in operation until repealed by the "internal-revenue law of 1904," which substituted other taxes in lieu thereof. A full report on these obsolete taxes will be found in Appendix A of this report.

The Spanish Government in these islands derived ₱7,000,000, or something more than one-half of its income from internal-revenue sources, from the cédulas personales, or poll tax; under the present law the annual revenue from cédulas will not exceed ₱1,500,000. The tax rates in the present law on forest products are only about half of the rates obtaining prior to its enactment. The number of documents previously subject to tax has been greatly reduced and most of the documents remaining subject to stamp taxes have been at lower rates. All receipts for small sums have been entirely exempted from documentary taxes. All articles, except forest products, when exported, are exempted from taxation.

The most radical change made by the new law has consisted in the shifting of the bulk of the taxes on industries from articles of necessary consumption to articles of luxurious, or optional, consumption, and in the entire exemptions from insular taxation which are given in the new internal-revenue law to the multitude of petty trades and callings followed by the very poor, and to the small stores and provision booths scattered throughout the islands. The old industrial tax law imposed a comparatively high rate of license tax on retail dealers in rice and other provisions and an infinitesimal tax on the manufacture and sale of tobacco and alcohol products; the new law exempts agriculturists, exporters, and very small dealers in commodities and imposes a percentage tax on the value of the sales made by the larger dealers, and also imposes an adequate tax on the manufacture and sale of alcohol and tobacco products.

Before the enactment of the new internal-revenue law one-third of all the industrial taxes were paid in Manila and two-thirds in the provinces. Exclusive of the taxes on alcohol and tobacco products the taxes on the manufacture and sale of all other commodities are now being collected in the proportion of two-thirds in Manila and one-third in the provinces. Of the taxes on the manufacture of alcohol and tobacco products 83 per cent is now being paid in Manila and 17 per cent in the provinces.

RÉSUMÉ OF ACT NO. 1189.

The "internal-revenue law of nineteen hundred and four" imposes license taxes on dealers in alcohol and tobacco products, taxes at specific rates on the manufacture and sale for domestic consumption of distilled spirits and manufactured liquors, fermented liquors, manufactured tobacco and snuff, cigars, cigarettes, and matches of domestic production or imported, percentage taxes on the deposits, capital employed, and circulation of banks, documentary taxes, mostly at specific rates, on certain enumerated objects, poll or cédula personal taxes, percentage taxes on premiums received by insurance companies, taxes at specific rates on lumber and at ad valorem rates on other forest products cut or gathered in the public forests or forest reserves, license taxes at specific rates and taxes on output at ad valorem rates on valid perfected mining concessions granted prior to April 11, 1899; ad valorem taxes on sales of commodities and receipts of common carriers and specific occupation taxes on certain enumerated professions, pursuits, and trades. It is provided that the revenues from the cédula personal, or poll, taxes shall be apportioned one-half to the province and one-half to the municipality in which they are collected; that certain license taxes on theaters, etc., shall accrue intact to the treasuries of the municipalities in which they are collected, and that of the remaining revenues 10 per cent shall be apportioned to the various provinces and 15 per cent to the various municipalities, in the proportion of their respective populations, and that the remaining 75 per cent shall constitute insular revenues.

It also provides for the organization of the bureau of internal revenue within the department of finance and justice, for the appointment by the governor-general of a collector of internal revenue as chief of the bureau, for the appointment by the collector, with the approval of the secretary of finance and justice, of a field inspection

force of internal-revenue agents, gaugers, and storekeepers, and for the assessment and collection of the various taxes by the city assessor and collector of Manila and by the various provincial treasurers and their deputies under the general superintendence of the collector of internal revenue.

ACTS AMENDATORY OF ACT NO. 1189.

Act No. 1182.—This act was passed by the Philippine Commission on June 8, 1904, in anticipation of the enactment of the internal-revenue law, and provided for the preliminary listing of all manufacturers of alcohol and tobacco products and matches, for ascertaining the rate of output from each manufactory, and for the taking of inventories of stocks of liquors, cigars, cigarettes, etc., on the premises of each manufactory.

The enforcement of this act devolved upon the acting collector of internal revenue through the provincial treasurers. The assessment data obtained was very fragmentary and of little permanent value, due to the fact that under the Spanish industrial tax law the assessments were made on the estimated capacity of the stills, cigarette machines, etc. No official figures showing actual output were therefore available.

Act No. 1257.—This act was passed on November 3, 1904, in view of the claims of certain distillers that distilled spirits were subject to duplicate taxation, i. e., at about 1 centavo per gallon on the capacity of their stills under the industrial tax (which to this extent continued in operation until December 31, 1904) and at 20 or 30 centavos, as the case might be, on the output of each proof liter of spirits under the new law. Act No. 1257 therefore repealed the industrial tax provisions on distillers who operated their stills between the date of the passage of the act, November 3, 1904, and the end of that year. Stores in which these distillers sold their products were also exempted from the industrial license taxes during the same period. Some of these distillers had paid their taxes in advance up to the end of the year and claims for refund of taxes overpaid, amounting to ₱3,911.97, have been received in this office. No provision is made in Act No. 1257 for the refund of industrial taxes overpaid. A separate report with recommendations will be made on this matter.

Act No. 1338.—This act was passed on April 27, 1905, and amended sections 68, 74, 87, 88, 107, 109, 112, 116, 118, 121, 122, 125, 126, 143, 144, and 146 of Act No. 1189. The changes made were such as nine months' experience in the enforcement of the law had demonstrated to be necessary. Nearly all were of minor importance, a few being mere verbal changes and corrections of typographical errors in the original text of the law. A few changes were made in the license tax rates and in the definitions of dealers, and two or three license taxes were added. Further exemptions from documentary taxes were made, and provision was made for the enforcement of the payment of the delinquent cédula, industrial and documentary stamp taxes for 1904 and years prior thereto. The only important amendments were those decreasing, on and after May 1, 1905, the tax on rectified manufactured liquors from 30 centavos to 20 centavos per proof liter, and the extension of time from July 1, 1905, to January 1, 1906, when the tax on cigarettes weighing 2 kilograms or less per M should be increased from 67 centavos to ₱1 per M. The internal-revenue law originally provided that crude spirits containing more than 4 parts in 1,000 of amyl, aldehyde, or methyl alcohol should not be sold for consumption as beverages until rectified and the poisonous substances removed. It was then believed that the output of practically all of the primitive stills—called *cauas*—in the provinces contained an excess of these poisonous substances and would have to be rectified. The tax rate was originally fixed at 20 centavos per proof liter of crude spirits and 10 centavos per proof liter additional for the rectification of such spirits and their manufacture into liquors. The total tax rate between August 1, 1904, and April 30, 1905, paid by the Manila rectifiers was therefore 30 centavos per proof liter. Over two hundred samples of crude spirits from the *cauas* in the provinces were sent by this office to the bureau of government laboratories and, on analysis, proved to not contain an excess of the poisonous substances mentioned above. Their sale for use as beverages could not therefore be prohibited, notwithstanding the fact that in other respects these crude spirits, called *vino de nipa*, *vino de coco*, etc., were inferior to the rectified and manufactured liquors. These crude spirits only paid a total tax of 20 centavos per proof liter, whereas the better kind of liquor paid 30 centavos. In order that the rectified and manufactured liquors might not be discriminated against the tax rate was lowered to 20 centavos per proof liter.

Act No. 1370.—This act was passed on July 7, 1905, and amended section 139 of Act No. 1189 by striking out the words "for domestic consumption." These words were not necessary to convey the intention of the legislators and confused certain middlemen

and others who mistakenly claimed exemption from the tax on the value of the sales of domestic products made by them in these islands.

In addition to the above acts other acts have been passed by the Philippine Commission which affected the provisions of Act No. 1189, but only in a temporary manner, such as the extension of time for the payment of certain *cédula* taxes without surcharge, distribution of certain revenues, etc.

ORGANIZATION OF BUREAU—TEMPORARY SYSTEM.

The organization of the office force and the selection of men properly qualified to fill the positions of internal-revenue agents in the field was begun in the month of July, 1904. By August 1, 1904, several thousand copies of the internal-revenue law, English and Spanish text, had been sent to all provincial treasurers and their deputies, and to the presidents of the various towns. Preliminary instructions in English and Spanish, in circular form, were also printed and furnished to all internal-revenue officers. These instructions contained all necessary information regarding the taxpayers' records of operations and frequent transcripts therefrom, and internal-revenue officers were also instructed as to the manner of liquidation of accounts and assessment and collection of taxes in cash pending the preparation of the necessary record books, forms, and stamps required by law. Tables for the reduction of spirits from gauge to proof liters were also printed and distributed; these tables show the equivalents in American proof liters of the readings of the Cartier and Gay Lussac alcoholmeters heretofore in use in these islands. During the months of August and September the designs for the internal-revenue and documentary stamps and the copy for the more urgent record books and forms were prepared and furnished the public printer. By the end of October most of the internal-revenue agents had been appointed, instructed in the provisions of the law and of the temporary regulations for its enforcement, drilled in their work by actual experience in the local manufactories, and detailed to their work of enforcing compliance with the law and regulations, on the part of internal-revenue collectors and taxpayers in Manila, and in the more important of the provinces. By December 31, 1904, the stamps, *cédulas*, record books, and forms were ready, and the installation of the permanent system was made in Manila and in the nearby provinces on January 1, 1905, and in the remaining provinces as soon as practicable thereafter. The temporary expedient adopted for the collection of the taxes on alcohol and tobacco products (the only taxes which accrued and were paid before January 1, 1905) merits little description, especially as it is now obsolete. But it served its purpose, over one million pesos being collected between August 1 and December 31, 1904. In order to not harass manufacturers of alcohol and tobacco products, they were directed to keep in any blank book that best suited their convenience a daily record of all liquors, cigars, etc., manufactured and sold for domestic consumption in black ink, and for export, in red ink. They were also directed to keep their record book and the transcript therefrom posted promptly up to date. The internal-revenue agents and other officers called at frequent and irregular intervals on all manufacturers, checked their stock on hand, balanced their record books, credited all cigars, etc., removed for export, assessed the taxes due and liquidated all accounts by entering on the record book and on the two copies of the transcript sheets the amount of taxes due since the previous liquidation. The manufacturer at once took these liquidation sheets to the nearest collecting officer, paid his taxes in cash, got one of the liquidation sheets back receipted and left the other copy with the collecting officer, who entered it in a book kept for the purpose and then forwarded it to this office for audit and file. A description of the procedure followed in the collection of taxes under the permanent system will be found near the end of this report.

COLLECTIONS.

The reported collections during the last eleven months of the fiscal year 1904-5 were ₱5,200,383.95: during July, 1905, ₱794,620.75—a total reported collection for the year of ₱5,995,004.70. Of this total, ₱3,557,282.05, or 59.34 per cent, were paid in the city of Manila, and ₱2,437,722.65, or 40.66 per cent, were paid in the provinces. By the provisions of Act No. 1189 these revenues will be apportioned as follows: Insular, ₱3,436,554.96; provincial, ₱1,128,718.32; municipal, ₱1,429,731.42. In Tables 1 to 4 of Appendix W, to this report, the tax collections for the year will be found segregated by months and articles, by taxes collected during the fiscal year 1904-5 and during the month of July, 1905, by insular, provincial, and municipal revenues, and by schedules and percentages of collections under each schedule in Manila and in the provinces. The statistical charts in the frontispiece to this report show in a graphic

manner the movement in the collection of the various taxes from month to month and the importance, relative, of certain tax collections in these islands and in other countries. The per annum per capita tax payments on alcohol and tobacco products consumed are as follows: Distilled spirits—United States, ₱3.20; Porto Rico, ₱1; Philippine Islands, ₱0.30; fermented liquors—United States, ₱1.20; Porto Rico, ₱0.20; Philippine Islands, ₱0.02; tobacco products—United States, ₱1.12; Porto Rico, ₱0.80; Philippine Islands, ₱0.40; total—United States, ₱5.52; Porto Rico, ₱2; Philippine Islands, ₱0.72. Not only is the per capita consumption of distilled spirits greater in the United States and Porto Rico than it is in these islands, but the rate of tax imposed in those countries is from two to four times as high there as it is here. This will account for the very small per annum per capita tax collected in these islands on distilled spirits, as shown on the chart. The consumption of tobacco products in these islands, mostly cigarettes, is greater per capita than it is in the United States or in Porto Rico, but the tax rate on cigarettes in those two countries is three times as high as it is in these islands. Therefore, notwithstanding the greater per capita consumption of cigarettes in these islands, the per annum per capita tax payments here on tobacco products are only one-half of what they are in Porto Rico and only a little over one-third of what they are in the United States. The taxes on alcohol and tobacco products in these islands are the all important items in the scheme of taxation adopted. Even a small reduction of the existing very moderate tax rate, now in successful operation, would reduce the amount of the total revenues now being collected to the same or a greater extent than the entire elimination of several of the minor schedules would reduce such total collections.

DISBURSEMENTS.

By Acts Nos. 1225 and 1361, Philippine Commission, there were appropriated for the use of this bureau during the fiscal year 1904-5, in the enforcement of Act No. 1189, the following sums: For salaries and wages, ₱142,653.92; for contingent expenses, ₱53,244.59; total, ₱195,898.51. Of these amounts there were expended during the eleven months ended June 30, 1905, the following sums: For salaries and wages, ₱132,749.46; for contingent expenses, ₱51,109.45; total, ₱183,858.91. These disbursements were made as follows: Office expenses of the collector of internal revenue, including salaries and wages, furniture and supplies, etc., ₱87,133.26; field force, including salaries and wages to internal-revenue agents and gaugers, traveling, and other contingent expenses, ₱64,863.41; office of the city assessor and collector of Manila, including salaries and wages of office force and inspectors actually engaged in the collection of taxes under Act No. 1189, city transportation, etc., ₱31,862.24; total, ₱183,858.91. In section 4 of Act No. 1189 it is provided that—

“* * * The expenses of maintaining the office of the collector of internal revenue, including all subordinates and employees of that office, shall be an insular expense to be borne by the insular government. But all expenses incurred by provincial treasurers, in pursuance of duties imposed upon them by this act, shall be borne by the several provincial treasuries.”

And in section 151 it is provided—

“That the cost to the city of Manila of collections under this act, aside from the salary of the city assessor and collector, shall be reimbursed to the city of Manila from the insular treasury.”

Therefore, the total collections under Act No. 1189 for the eleven months ended June 30, 1905, being ₱5,200,383.95 and the total expenses during the same period being ₱183,854.91, the cost of collection of these taxes to the insular government is $3\frac{1}{2}$ per cent. Data is not available in this office as to the total expense the provinces are at in the enforcement of the internal-revenue law. It is known, however, that the greater portion of the time the provincial treasurers and their deputies are engaged in the collection of the land taxes and the municipal taxes and in the discharge of their other duties.

DISTILLED SPIRITS.

Tax rate, collection, output.—From August 1, 1904, to April 30, 1905, crude spirits were taxed in sections 74, 87, and 88 of Act No. 1189 at the rate of 10 centavos per proof liter if intended for industrial purposes, 20 centavos per proof liter if intended for consumption as beverages, and 30 centavos per proof liter if rectified and sold as manufactured liquor. These provisions of law were amended by Act No. 1338, effective May 1, 1905, since which date crude and rectified spirits and manufactured liquors all pay at the same tax rate—20 centavos per proof liter. During the eleven months

ending June 30, 1905, taxes were collected on distilled spirits amounting to ₱743,975.94; during July, 1905, ₱111,730.28; total for the year, ₱855,706.22. This collection was made on an output of 3,838,061 proof liters for domestic consumption. Crude spirits were removed under bond for rectification in Manila, without the prepayment of the tax, as follows: From the province of Bulacan, 2,853,498 proof liters; from the province of Pampanga, 576,521 proof liters; total, 3,430,019 proof liters. Very nearly one-half of these crude spirits have been rectified, manufactured into liquors, sold, and the tax paid thereon, and are included in the 3,838,061 proof liters given above as removed for domestic consumption. No spirits of domestic production were exported. The output of tax-paid spirits in August, 1904, was 93,405 proof liters; in June, 1905, it was 574,788 proof liters. Using the June, 1905, output as a basis for calculation, the annual output of tax-paid spirits in round numbers would be 7,000,000 proof liters. Act No. 1189 taxes spirits below proof in proportion to their strength, and not at the same rate as proof spirits, as is done in the United States. The bulk of the liquors removed from the Manila distilleries gauges from 60 per cent to 70 per cent proof; in the provinces spirits seldom gauge more than 50 per cent proof. Two-thirds of the domestic spirits now being consumed in these islands come from the provincial distilleries. The 7,000,000 proof liters, given above as the present annual rate of output, reduced to the usual drinkable strength would mean somewhere between twelve and thirteen million gauge liters. The following table shows the output each month, August 1, 1904, to July 31, 1905, of proof liters of tax-paid spirits from the Manila rectifying plants and from the provincial distilleries:

Output during—	Manila.	Provinces.	Total.
1904.	<i>Proof liters.</i>	<i>Proof liters.</i>	<i>Proof liters.</i>
August	36,332.00	57,072.95	93,404.95
September	47,697.76	126,026.80	173,724.56
October	80,381.87	124,163.70	204,545.57
November	69,592.33	204,365.65	273,957.38
December	102,611.38	218,187.65	315,798.88
1905.			
January	106,363.66	183,127.45	289,491.11
February	135,138.57	59,744.70	194,883.27
March	166,428.27	207,998.90	374,417.17
April	136,393.50	164,634.70	301,028.20
May	247,067.70	236,303.70	483,371.40
June	223,460.95	351,326.60	574,787.55
July	185,770.00	372,881.40	558,651.40

The Manila market was largely overstocked with manufactured liquors removed from the local rectifying plants before August 1, 1904, to escape the tax. The most noticeable feature about the above table is the almost constant increase in the output of spirits and manufactured liquors from the Manila rectifying plants, from month to month, from August, 1904, to May, 1905, during which month the Manila rectifiers sold a little more than half of the total liquors consumed in these islands. But between May and July, 1905, the output from the Manila rectifying plants shows a decrease, while the output from the provincial distilleries continues to increase from month to month. Since May 1, 1905, the tax on the rectified and manufactured liquors distilled in Manila has been at the same rate as it is on the crude spirits distilled in the provinces—20 centavos per proof liter. The reduction in the Manila output can not, therefore, be caused by the tax.

Early in June, 1905, several of the Manila rectifiers began an agitation, having for its object a reduction in the tax rate on spirits, and the local wholesale liquor dealers reduced the volume of their orders pending the outcome of the agitation. It is believed that this is the true reason for the reduction in the output from the Manila rectifying plants. As near as this office can estimate from the registered capacity, under the "industria" tax regulations, of the various stills in these islands, and from other data considered reliable, the total output of all the stills during an average year, before the internal-revenue law was enacted, was something less than 10,000,000 proof liters. The tax is now being paid, at the present rate of collection, on an annual output of 7,000,000 proof liters, equal to 70 per cent of the normal output before the tax was imposed. It is believed that within a few months after the matter of the tax rate, now pending, is finally fixed, subject to no further change, the output of proof liters of spirits in these islands will reach the 10,000,000 mark, and that this will happen whether the existing tax rate is lowered, left as it is, or even increased in a moderate degree.

Distribution of distilleries and methods pursued.—On August 1, 1904, there were in operation in Manila 6 distilleries, and in the provinces, as near as could be learned from the reports of the provincial treasurers, there were 43 more distilleries, of which about 10 or 12 were not in operation. There were also in operation at that time 441 cauas, a species of primitive still. The distilleries were located in Bulacán, Cápiz, Cebú, Ilocos Sur, Pampanga, Pangasinán, Tarlac, and Manila. The cauas were located in Albay, Ambos Camarines, Bataán, Cagayan, Cápiz, Ilocos Sur, La Laguna, La Unión, Moro, Pangasinán, Palawan, Sámar, Surigao, Tayabas, and Zambales.

Distillation from grain of any sort is almost unknown in these islands. Rice is used to a limited extent by Chinese distillers in the province of Tarlac. In the province of Ilocos Sur sugar is used almost entirely, and a good quality of rum is produced. In the province of Tarlac sugar mixed with boiled rice is used. In the province of Pampanga four of the eight distillers use sugar or molasses as raw material. In the province of Bulacan molasses is used to a limited extent during the two or three months each year when the tuba from the nipa palm is out of season. In the province of Bataán and in some of the southern islands sugar, molasses, or cane juice has to a limited extent been used. In Manila, before the passage of the internal-revenue law, nearly one-half of the spirits produced were distilled from sugar. Toward the end of 1904 the price of sugar went up and the price of tuba from the nipa palm came down, and since that time there has been little original distillation from sugar in Manila, all of the rectifiers buying crude spirits from the provincial distillers in Bulacán and Pampanga. To-day over 90 per cent of the spirits produced in these islands are distilled from the tuba, or sap, of the nipa palm and cocoanut palm. The provinces of Albay, Ambos Camarines, and La Laguna produce most of the spirits from the sap of the cocoanut palm. There are 130 cauas in these three provinces, but their individual capacity is small. They run by fits and starts, supplying only the local needs, and the aggregate annual output of "vino de coco," as these spirits are called, will not exceed half a million proof liters per annum. The nipa palm provinces, in the order of their importance, are as follows: Bulacán, Pangasinán, Pampanga, Cagayan, Cápiz, Surigao, Sámar. Distillation from the sap of the nipa palm to a limited extent is also carried on in a few other provinces. The nipa palm regions—called "nipales"—are limited to a narrow strip of swamp land along the coast where conditions of soil, etc., are also favorable. The nipa palm is most productive when standing in brackish water. The spirit distilled from this sap is called "vino de nipa." It has a weedy taste much prized by the natives, and they will not willingly abandon its use even for the superior rectified and manufactured anisado, ginebra, etc., produced in Manila. There are over 300 cauas in the provinces producing this "vino de nipa," almost entirely for local consumption. Pangasinán has 111 of these cauas, and besides supplying the local demands a considerable quantity of spirits is sent to the neighboring province of La Unión.

In the provinces of Bulacán, Pampanga, and Tarlac there are no cauas. The distilleries in these provinces are mostly of the direct-heat antiquated type, and the bulk of the spirits is shipped to Manila for rectification. Two new distilleries have been installed in these provinces since the internal-revenue law was enacted and 2 others that had not worked for some time before August 1, 1904, are now in operation. In Manila 2 new rectifying plants are also in operation, making a total of 8 in this city as against a total of 6 on August 1, 1904. Crude spirits are sent from Bulacan and Pampanga to Manila in wooden packages; there has in the past been much loss by leakage and evaporation, due to faulty barrels and to inadequate storage facilities in the distilleries in those two provinces. Within the last three months this office has required these distillers to erect substantial storage tanks and to discard all faulty barrels used for the shipment of spirits. All of these barrels, some 2,000, have been carefully measured by agents from this office, and the capacity of each barrel has been permanently branded thereon. As a result of these precautions a certain portion of the spirits which formerly were wasted is now saved to the distillers and the tax on what is shipped is more completely collected. It is believed that the regulations for the control of the operations of distillers, as provided in Act No. 1189, are sufficient to prevent any large amount of fraud. Commercial customs and the methods of manufacture obtaining in these islands are radically different from the customs and methods in vogue in Europe and America. To apply en bloc the United States system of internal-revenue tax collections to these islands would put every distillery permanently out of business. The rectifying plants in Manila are owned or controlled as follows: Three by Spaniards, 2 by Filipinos, 2 by Chinamen, 1 by Americans. In Bulacan 5 distilleries are owned by Filipinos and 6 by Chinamen. In Pampanga 2 distilleries are owned by Spaniards, 2 by Filipinos, and 5 by Chinamen. In Tarlac all of the distilleries are owned by Chinamen. With a very few exceptions all of the remaining distilleries in the provinces, mostly cauas, are owned by Filipinos.

In Appendixes B to K and in Tables 1, 2, and 4 of Appendix W to this report, will be found further data regarding the nipa and coconut palm, etc., the history of the distilling industry in these islands, the present methods of distilling "vino de nipa," "vino de coco," etc., the production of "basi" by the fermentation of sugar-cane juice, the use of rice, sugar, etc., in distillation, the rectification of crude spirits and manufacture of liquors, methods of transportation, itemized statements of tax collections, etc.

FERMENTED LIQUORS.

Beer.—Although imitation wines of all kinds, including champagne, are made in these islands, using spirits distilled from the sap of the nipa palm as a base, there is only one manufactory where a legitimate fermented liquor is produced. This is the brewery located in Manila and which controls the beer trade in these islands. Most of the raw materials used in this brewery for the production of beer are imported from the United States and Europe. The tax imposed in section 91 of the internal-revenue law on beer of all kinds is at the rate of 4 centavos per liter. During the eleven months ended June 30, 1905, there were collected as tax on beer removed for domestic consumption ₱118,286.44; during July, 1905, ₱14,009.60; total for the year, ₱132,296.04. This represents an output of 3,307,400 liters of beer. The output from this brewery during an average year, preceding the imposition of the tax, was 3,450,000 liters; this estimate is based on the actual known output of beer during the seven months immediately preceding August 1, 1904, when the tax became effective. There has therefore been practically no diminution in the amount of beer consumed in these islands because of a tax which, compared with the tax rate on beer in the United States, seems high. No domestic beer is exported from these islands. Japanese and German beers are imported in small quantities, but are sold at such prices as to offer no serious competition with the domestic product. For the present the customs duties on foreign beers are ample to protect the home industry.

TOBACCO PRODUCTS.

Leaf tobacco.—No tax is imposed in the internal-revenue law on the manufacture of cigars, cigarettes, or smoking or chewing tobacco by the consumer for his own use. With the exception of the one-third of 1 per cent imposed in section 139 on the value of sales made by merchants, traffic in leaf tobacco is free in these islands. Wholesale dealers in leaf tobacco, however, are required by this office to keep a record of all sales made to manufacturers of cigars, cigarettes, and smoking or chewing tobacco. In the provinces of Cagayan and Isabela is produced the only tobacco fit for use in the manufacture of the better quality of cigars and cigarettes. In the provinces of La Unión, Ilocos Norte and Sur, Batangas, in two or three of the Visayan group of islands and in Mindanao, tobacco leaf is produced to a limited extent, but it has the reputation of being of an inferior quality. Except for limited local consumption by the persons raising it or for the purposes of blending it with the better leaf there is no demand for the tobacco raised outside of the provinces of Cagayan and Isabela. The Spanish Government had a monopoly, which lasted one hundred years, in the manufacture of all leaf tobacco produced in these islands. The Government supervision over the planting, curing, and sorting of the leaf was absolute and the quality of the tobacco was improved and the quantity increased by such supervision. In 1882 the Government monopoly was abolished and the planting and manufacture of tobacco became free for all. Since then the quality of the leaf produced in Cagayan and Isabela has constantly deteriorated from season to season. No sufficient preparation of the soil, no care in the selection of the seed, of the method of planting, or of the growing leaf, crude methods in curing the leaf, and dishonest practices of middlemen in sorting it for sale have all contributed to discredit the former fair fame of Philippine tobacco, both abroad and at home. A constantly increasing number of smokers in these islands are discarding the domestic cigar and cigarette and are smoking cigars imported from Sumatra and elsewhere, imported Chinese smoking tobacco, and even cigarette and pipe tobacco from the United States. On May 18, 1905, some of the leading cigar and cigarette manufacturers of Manila entered into an agreement having for its object an increase in the production and improvement in the quality of the tobacco leaf in Cagayan and Isabela, as well as to secure, if possible, more uniformity in the sorting of the leaf by middlemen. Little effective work, however, has as yet been done along these lines. Meanwhile the quality of the leaf continues to deteriorate and the local manufacturers find it an increasingly difficult task to supply demands for domestic consumption. The largest wholesale and retail dealer in Manila of cigars and cigarettes, who is also the

authorized distributor for all of the leading cigar and cigarette manufactories, has just issued a pamphlet to the trade entitled "The Cigar Question." From this pamphlet the following is quoted:

"The demand for Philippine cigars and cigarettes has during the past two years exceeded the output, causing long and vexatious delays in filling orders."

Several of the larger cigar and cigarette manufactories are now running at full capacity an extraordinary number of hours each day, and when good leaf is not available they use the best they can get, which is, in many cases, poor enough. Under the caption "Cigars," below, are given the figures on cigars manufactured and removed for domestic consumption, tax paid, and for export, exempt from tax, during the year ended July 31, 1905. What the Manila cigar manufacturers will do with the United States market, assuming that they get it, is now the puzzle. Even though immediate and effective measures were provided to increase the amount of good quality leaf such as would be required to make cigars suited to the American taste, it would be several years before such measures would produce results and properly seasoned leaf would be available.

In Appendixes L to T and in Tables 1, 2, and 4 of Appendix W to this report will be found further data regarding the present status of the production of leaf tobacco, of the methods employed in the manufacture of cigars, cigarettes, and smoking tobacco, itemized statement of tax collections, etc.

Manufactured tobacco, smoking and chewing.—Section 101 of Act No. 1189 imposes a tax of 48 centavos on each kilogram of smoking or chewing tobacco of all kinds manufactured in the Philippine Islands for domestic sale or consumption. During the eleven months ended June 30, 1905, taxes were collected on smoking and chewing tobacco amounting to ₱84,439.55; during July, 1905, ₱8,435.64; total for the year, ₱92,875.19. This represents a total output consumed in the Philippine Islands of 193,490 kilograms. In addition, there was manufactured and exported during the year from these islands smoking tobacco (chopped tobacco, called "picadura") as follows:

	Kilograms.
To Spain.....	7,949
To Straits Settlements.....	2,814
To England.....	2,320
To China.....	1,958
To Japan.....	3
Total.....	15,044

Exported manufactured tobacco is not subject to the internal-revenue tax imposed in section 101. Added to the tax-paid tobacco this gives a total annual output from the factories in these islands for domestic consumption and for export of 208,534 kilograms of smoking and chewing tobacco. Considerable quantities of leaf tobacco are cut in one manufactory to be taken to another for conversion into cigarettes. As the tax on this tobacco is subsequently collected on the cigarettes no account is taken in the figures given above of the tobacco so handled. Of the tax collected on manufactured tobacco 84 per cent is paid in Manila and 16 per cent in the provinces. There is no snuff manufactured in the Philippine Islands. The chewing tobacco is used by the lower class of natives; they chew it mixed with betel nut.

Cigars.—Section 107 of Act No. 1189 imposes a tax of ₱2 on each 1,000 cigars worth 20 pesos or less per thousand, ₱4 when worth over 20 and not over 50 pesos, and ₱6 when worth over 50 pesos. The tax is assessed on the manufacturer's wholesale price on cigars removed for domestic sale or consumption. During the eleven months ended June 30, 1905, taxes were collected on cigars amounting to ₱145,996.81; during July, 1905, ₱14,740.53; total for the year, ₱160,737.34. Of this total 90.5 per cent was paid in Manila and 9.5 per cent in the provinces. This represents an output of cigars consumed in the Philippine Islands, by classes, as follows: Worth ₱20 or less per M, 60,276,450; worth over ₱20 but not over ₱50 per M, 8,036,890; worth over ₱50 per M, 1,339,480; total, 69,652,820 cigars. In addition there were manufactured and exported during the year from these islands cigars, by classes, as follows:

Exportation of cigars, August 1, 1904, to July 31, 1905.

To—	Worth per M.			Total.
	₱20 or less.	Over ₱20, but less than ₱50.	Over ₱50.	
China.....	39,770,418	9,301,097	664,145	49,735,660
Straits Settlements.....	3,971,960	3,816,518	69,343	7,857,821
Australia.....	3,487,406	2,381,118	191,284	6,069,808
England.....	3,227,912	1,941,349	89,322	5,258,583
Spain.....	2,350,500	648,900	230,770	3,230,170
India.....	947,370	661,361	170,883	1,779,614
France.....	1,838,500	36,000	500	1,875,000
South America.....	631,007	115,474	5,656	752,137
Germany.....	349,410	351,631	45,966	747,007
Japan.....	194,857	362,207	27,663	584,727
Indo-China.....	72,039	423,054	7,817	502,910
Java.....	344,494	122,416	9,257	476,167
South Africa.....	182,337	207,316	65,738	455,391
Italy.....	51,030	221,524	1,016	273,570
United States.....	54,371	71,561	41,761	167,693
Hawaiian Islands.....	64,000	77,000	3,500	144,500
New Zealand.....	28,719	58,851	44,146	131,716
Canada.....	24,077	91,146	930	116,153
Switzerland.....	34,760	40,300	7,125	82,175
Holland.....	53,000	2,000	.....	55,000
Egypt.....	8,200	33,000	1,850	43,050
Belgium.....	15,000	10,500	.....	25,500
Scotland.....	7,000	5,700	7,000	19,700
Korea.....	7,799	6,408	2,089	16,296
Persia.....	5,000	.....	.....	5,000
Consumed on high seas.....	216,178	500,384	146,220	862,782
Total.....	57,937,334	21,486,815	1,833,981	81,258,130

China is the best customer, taking about 60 per cent of all of the cigars exported from these islands. But much the larger portion of the cigars exported to China are of the very inferior grades; they are really large cigarettes wrapped, paper and all, in a strip of leaf tobacco, and are classed as "cigars" through courtesy and for the lack of a better name.

The total output of cigars from all of the manufactories in these islands during the year ended July 31, 1905, was as follows: For domestic consumption, 69,652,820; for export, 81,258,130; total, 150,910,950. The normal annual consumption of cigars in the United States is 7,000,000,000. If it were possible to divert every cigar made in these islands to the United States the home producers in that country would still have to supply about 98 per cent of the cigars consumed there. Inasmuch as the bulk of the cigars produced in these islands could not be sold in the American market at any price, it is believed, even though the Philippine cigar was admitted customs duty free into the United States, that the cigar manufacturers in that country would, for a long time to come, retain considerably over 99 per cent of their present trade.

(Cigarettes.)—Section 107 of Act No. 1189 imposes a tax of 67 centavos on each 1,000 cigarettes weighing 2 kilograms or less per thousand, and a tax of ₱2 on each 1,000 cigarettes weighing more than 2 kilograms per thousand. During the eleven months ended June 30, 1905, taxes were collected on cigarettes amounting to ₱1,812,141.05; during July, 1905, ₱183,990.52; total for the year, ₱1,996,131.57. Of this total 96.2 per cent was paid in Manila and 3.8 per cent in the provinces. This represents an output of cigarettes consumed in the Philippine Islands, by classes, as follows: Weighing 2 kilograms or less per thousand, 2,956,956,090; weighing more than 2 kilograms per thousand, 7,485,500; total, 2,964,441,590 cigarettes. In addition there were manufactured and exported during the year from these islands cigarettes, by classes, as follows:

Exportation of cigarettes, August 1, 1904, to July 31, 1905.

To—	Weighing per M.		Total.
	2 kilograms or less.	More than 2 kilograms.	
China	8,525,855	398,800	8,924,655
Spain	1,229,325	2,000	1,231,325
France	1,040,000	.....	1,040,000
Switzerland	721,190	100,240	821,430
England	697,050	144	697,194
Straits Settlements	648,690	18,300	666,990
India	497,120	14,700	511,820
Australia	250,280	13,248	263,528
America	185,316	6,600	191,916
Guam	156,700	3,000	159,700
Japan	107,720	6,096	113,816
Java	27,785	.....	27,785
Canada	14,765	.....	14,765
Consumed on high seas	234,941	10,400	245,341
Total	14,336,737	573,528	14,910,265

The total output of cigarettes from all of the manufactories in these islands during the year ended July 31, 1905, was as follows: For domestic consumption, 2,964,441,590; for export, 14,910,265; total, 2,979,351,855 cigarettes. The Manila and provincial markets were largely overstocked with cigarettes removed from the manufactories prior to August 1, 1904, to escape the tax which accrued on that date. As a result the cigarette market was quite dull during the last five months of 1904; but beginning with the month of January, 1905, and continuing up to the date of making this report the volume of cigarettes removed from the manufactories, taken as a whole, has attained normal dimensions. The tax rate imposed on cigarettes in these islands is but one-third of the rate imposed in Porto Rico and less than one-third of the rate imposed in the United States. As a revenue producer the tax on cigarettes leads all others. Cigarettes weighing more than 2 kilograms per thousand and paying at the ₱2 rate constitute but a very small percentage of the total cigarettes consumed. As the internal-revenue law now stands cigarettes now subject to the 67-centavo rate per thousand will, on and after January 1, 1906, be subject to tax at the rate of ₱1 per thousand. Even at this increased rate the tax rate in these islands will only be one-half of what it is in Porto Rico and less than one-half of what it is in the United States, and consumers in these islands will continue to get two or three times as many tax-paid cigarettes for their money as they can get in the United States or in Porto Rico. It is recommended that the existing provisions of Act No. 1199 taxing cigarettes remain unaltered.

Distribution of cigar and cigarette manufactories.—The cigar and cigarette manufactories in the provinces are few in number and relatively of little importance. The Manila manufactories control almost in its entirety the provincial trade. The poorer classes roll their own cigars or buy or raise their own leaf tobacco, chop it, and roll all of the cigarettes they consume. They did this before the internal-revenue tax was imposed and thus saved an amount equal to the manufacturers' profit. They still continue to do this and save an additional amount equal to the tax on the manufactured tobacco, cigars, or cigarettes they consume. In Manila there are 58 manufactories where cigars are made and 50 manufactories where cigarettes are made. The cigars are made exclusively by hand; one of the larger manufactories imported sometime since two cigar machines of European make for experimental purposes, but the tests were unsatisfactory and the machines were discarded. Most of the cigarettes are machine made, all but seven of the manufactories having their own machines. In some of the larger manufactories special brands of handmade cigarettes are turned out. The usual number of cigarettes to a box is 30, but a considerable number are put up in packages of 24 and even less. The girls in the manufactories are quite expert, and will unerringly and almost automatically lift from a pile of cigarettes the exact number needed to fill the boxes they are packing. Twenty-four Filipinos, 19 Chinamen, 14 Europeans, and 1 American negro are engaged in the manufacture of cigars, and 25 Chinamen, 14 Filipinos, and 11 Europeans are engaged in the manufacture of cigarettes.

MATCHES.

Section 108 of Act No. 1189 imposes a tax of 40 centavos on each gross of boxes, not exceeding 120 sticks to the box, of matches of all kinds manufactured in the Philippine Islands or imported from other countries for domestic sale or consumption. The tax on the imported matches is collected at the various ports of entry by the collector of customs under rules and regulations prescribed by the collector of internal revenue. An additional proportional tax is imposed on each gross of boxes containing more than 120 sticks to the box, but the number of boxes containing more than 120 sticks to the box manufactured in or imported into these islands is a fairly negligible quantity. During the eleven months ended June 30, 1905, taxes were collected on domestic and imported matches amounting to ₱153,669.39; during July, 1905, ₱21,384; total for the year, ₱175,053.39. This represents an annual consumption in these islands of 437,633 gross of boxes of matches. There is but one match manufactory in these islands, established in a suburb of Manila in 1902, up to which time the imported Japanese match had a monopoly of the Philippine trade. This manufactory turns out machine-made matches exclusively, American pattern machines being used. The imported Japanese matches are handmade. Both are of the kind known as "safety matches." Of the total given above of 437,633 gross of boxes of matches consumed in these islands during the year ended July 31, 1905, 272,403 gross, or 62 per cent, were manufactured in these islands; 141,530 gross, or 33 per cent, were imported through the port of Manila, and 23,700 gross, or 5 per cent, were imported through the remaining ports in these islands. The local match factory up to a few months since had imported all of the raw material used and the work of manufacture had consisted mainly in putting the partially manufactured products together. But it has lately succeeded in adapting native timber to use for its match sticks, and has thus given employment to an additional number of workmen in these islands. Additional information regarding this manufactory will be found in Appendix U to this report. The normal annual output of matches from this manufactory in the years prior to August 1, 1904, was 250,000 gross of boxes of matches. During the first year's operation of the internal-revenue law it had an output of 272,403 gross of boxes of tax-paid matches, or a gain of 9 per cent. It is believed that the existing internal-revenue tax on imported matches, together with the customs duty, are ample to protect the domestic industry from serious competition from Japan or elsewhere.

LICENSES.

Dealers in alcohol and tobacco products.—In section 68 of Act No. 1189 are imposed license taxes effective January 1, 1905, on dealers in and manufacturers of alcohol and tobacco products. These license tax rates range from ₱8 per annum for retail dealers in manufactured tobacco, cigars, and cigarettes to ₱200 per annum for wholesale dealers in liquors. These license taxes are payable, at the option of the taxpayer, annually or quarterly in advance. With very few exceptions the taxpayers elect to pay quarterly. During the six months ended June 30, 1905, there was collected from manufacturers of and dealers in alcohol and tobacco products, as license taxes, the sum of ₱148,787.45; during July, 1905, ₱62,529.33, a total for the seven months of ₱211,316.78. Of this total 25.7 per cent was collected in Manila, and 74.3 per cent was collected in the provinces. These license tax rates are very low and could be increased without imposing any excessive burden on merchants. Few if any dealers in alcohol and tobacco products have ceased operations because of the internal-revenue tax. A close check is kept by internal-revenue agents on the amount of spirits, cigars, cigarettes, etc., received by these dealers and of their daily sales. All of this data is entered in a register book kept by the merchant and subject to inspection. In Appendix V, and in Tables 1 and 4 of Appendix W, will be found itemized statements of the taxes collected under each paragraph of section 68, and a statement as to the manner of the enforcement of the law among this class of taxpayers. Plates XXVIII and XXIX of Appendix Z show the form of licenses issued to these dealers and the manner of the payment of the tax by them.^a

Merchants, manufacturers, and common carriers.—In section 139 of Act No. 1189 a tax effective January 1, 1905, at the rate of one-third of 1 per cent of the value of all commodities sold by merchants or manufacturers in these islands is imposed. In section 143 is imposed a tax of 1 per cent on the amount of the gross receipts from the business of common carriers. In section 142 is contained a list of commercial enterprises and persons exempt from the payment of this tax on sales. Common carriers doing less than ₱2,000 worth of business per annum are exempt from the

^aThese plates are on file in the Bureau of Insular Affairs, War Department.

tax imposed in section 143, and all ships subject to tonnage tax under Acts Nos. 230 and 355 are also exempt.

These exemptions include nearly all of the common carriers in these islands, and the amount of tax collected from such concerns is very small. During the six months ended June 30, 1905, there was collected from merchants, manufacturers and common carriers the sum of ₱285,146.12; during July, 1905, ₱228,875.75; a total for the seven months of ₱514,021.87. Of this total 67.5 per cent was collected in Manila, and 32.5 per cent was collected in the provinces. These taxes are also collected by the use of license forms, but being on a percentage basis of the amount of business done, it is impracticable to estimate the amount of taxes due in advance. Therefore, the payment of these taxes is required at the end of the quarter. The taxes due on sales throughout these islands for the second quarter of 1905 were largely paid during the month of July, 1905. The total given above of ₱514,021.87, therefore represents something less than the taxes for two full quarters. Capitalizing this tax, the business done in these islands by all kinds of merchants and manufacturers, wholesale and retail dealers, would seem to be at the rate of something over three hundred million pesos per annum. This does not include the value of alcohol and tobacco products, which are taxed at the specific rates enumerated in the preceding chapters of this report, nor does it include the sales made by merchants whose total annual sales do not exceed five hundred pesos, nor does it include the value of domestic products sold by agriculturists nor those exported from these islands to other countries. The tax rate on sales is very low, being one peso for each three hundred pesos worth of business done; it is therefore not felt by the larger merchants, and as the very small merchant is entirely exempt, this method of taxing industrial concerns has been generally accepted as an equitable and satisfactory system.

Occupations and professions.—In section 144 of Act No. 1189 are imposed occupation license taxes effective January 1, 1905, on a limited number of pursuits, mostly professional, which could not be classed as commercial undertakings and taxed at the percentage rate, but which, nevertheless, were proper subjects for a general scheme of industrial taxation. These occupation licenses are fixed at specific rates, ranging from ten pesos per annum for undergraduates in medicine, practicing their profession, to two hundred pesos per annum on pawnbrokers. These license taxes are made payable, at the option of the taxpayer, annually or quarterly in advance, and they are mostly paid quarterly, although many lawyers, physicians, and other professional men, especially in Manila, have elected to pay annually in advance. During the six months ended June 30, 1905, there was collected on the various occupation licenses the sum of ₱80,810.04; during July, 1905, ₱29,895.41; a total for the seven months of ₱110,705.45. Of this total 26.9 per cent was collected in Manila, and 73.1 per cent in the provinces.

CEDULAS PERSONALES.

In section 121, Act No. 1189, poll or registration taxes are imposed on all male residents in these islands (with certain exemptions enumerated in section 120) over 18 and under 60 years of age. Between the first Monday in January and the last Saturday in April of each year the tax payment is 1 peso; on the latter date the delinquency period begins, and cedula purchased between that date and the first Monday in January of the year following cost 2 pesos. Persons arriving in these islands after the last Saturday in April of any year are allowed to purchase a 1-peso cedula. During the six months ended June 30, 1905, there were collected as cedula taxes in these islands ₱1,292,532; during July, 1905, ₱48,490; total for the seven months, ₱1,341,022. Segregated by classes of cedula it is found that during the seven months there were sold 1,237,671 1-peso cedulas; 50,835 2-pesos cedulas; 1,681 1-peso cedulas issued to persons arriving in these islands subsequent to the last Saturday in April, 1905; total cedula sold during the year 1,290,187. It is estimated that if all persons liable to the cedula tax had purchased their cedulas 1,400,000 would have been sold. On this basis there were sold during the first seven months of 1905 92 per cent of the cedulas due by all taxable persons in these islands, leaving 109,813 2-peso cedulas to be sold between August 1 and December 31, 1905. Reports of cedula collections continue to come in, and at the present rate it is believed there will be very few uncollected cedulas at the end of this year. Of the total cedulas sold 5.2 per cent were purchased in Manila and 94.8 per cent were purchased in the provinces. These cedulas also serve the purpose of a domestic passport, and for those persons exempt under the specific provisions of section 120 a "certificate of exemption" form has been provided, for which no charge is made. In section 122, Act No. 1189, is provided the method for the collection of delinquent cedulas when persons so delinquent are required to pay and refuse to do so. The collecting officers are authorized to seize and sell personal property of the persons delinquent in their

cedula tax, or, in their discretion, to have such delinquents arrested, and on conviction to require them to labor for the term of ten days upon provincial or municipal public works. Up to July 31, 1905, only 357 persons had been arrested, imprisoned and made to work out their delinquency. In Tables 1 and 4, Appendix W, will be found segregated statements of cedula tax collections for the various months under the various classes.

OLD SPANISH MINING CLAIMS.

In section 134, of Act No. 1189, are imposed annual license taxes, effective January 1, 1905, of ₱100 per area of 60,000 square meters on each valid perfected mining concession granted prior to April 11, 1899; and an additional proportional tax on any excess of such area in each claim. A percentage tax of 3 per cent per annum on the actual market value of the gross output from such mines is also imposed. It was not expected that this tax would yield an appreciable revenue. There were registered at the time the internal-revenue law was enacted 152 mining claims in these islands subject to these taxes. These claims represented 660 pertenencias of 60,000 square meters each, and if the license taxes were paid on all there would be collected a total sum during the year of ₱66,000. Few of these claims, however, are being worked or have been worked since the American occupation, and it is believed that nearly all of these concessions will be allowed to lapse. During the six months ended June 30, 1905, there was collected on these old mining claims the sum of ₱3,400; during July, 1905, ₱830.99; total for the seven months, ₱4,230.99. The mines which have paid license taxes are 3 iron mines, located in the province of Bulacan, 2 coal mines located in the province of Albay, 6 gold mines located in the province of Ambos Camarines, 3 gold mines in the province of Benguet, and 2 gold mines in the province of Nueva Ecija. The only mines that have so far paid the percentage tax on output are the iron mines in the province of Bulacán.

BANKS AND BANKERS.

In section 111 of Act No. 1189 taxes are imposed monthly on banks as follows: One-eighteenth of 1 per cent upon the average amount of deposits, one twenty-fourth of 1 per cent upon the capital employed, and one-twelfth of 1 per cent upon the average amount of circulation. An additional tax of 1 per cent is imposed on such portion of the circulation of banks as may be issued beyond the amount of paid-in capital. The tax on banks and bankers became effective on August 1, 1904, and is payable in semiannual installments on the 1st day of February and the 1st day of August of each year. During the eleven months ended June 30, 1905, there was collected from the 18 banks doing business in these islands the sum of ₱50,537.63; during July, 1905, ₱55,816.24; total for the year, ₱106,353.87. Of this total tax 96.4 per cent was collected in Manila and 3.6 per cent was collected in the provinces. The tax was assessed as follows: ₱12,407.54 on deposits; ₱79,013.23 on capital employed; ₱14,933.10 on circulation. Twelve of the banks are located in Manila, 3 in Iloilo, 2 in Cebú, and 1 in Pangasinan.

INSURANCE COMPANIES.

In section 126 of Act No. 1189 is imposed a tax of 1 per cent on the total premiums or other considerations received by insurance companies or agencies thereof in these islands. This tax accrues on all kinds of insurance, and is paid annually on the 1st day of April in each year for the preceding calendar year. This tax became effective August 1, 1904. During the eleven months ended June 30, 1905, there was collected on 118 insurance companies and their agencies doing business in these islands the sum of ₱7,578.45; during July, 1905, ₱74.68; a total for the year of ₱7,653.13. Of this total 97.6 per cent was paid in Manila and 2.4 per cent was paid in the provinces. One hundred and three of these insurance agencies are located in Manila, 6 in Iloilo, and 9 in Cebú.

FOREST PRODUCTS.

In section 132, Act No. 1189, are imposed specific taxes on each cubic meter of timber cut by concessionaires in any public forest or forest reserve in the Philippine Islands for domestic sale and consumption or for export. On minor forest products, such as gums and resins a 10 per cent ad valorem tax is imposed. The various kinds of timber are classified in four groups and the tax imposed ranges from one peso to five pesos per cubic meter. These taxes became effective on January 1, 1905, and during the six months ended June 30, 1905, there were collected as taxes on all kinds of timber and minor forest products the sum of ₱190,285.73. Of this total 22.3 per cent

was paid in Manila and 77.7 per cent was paid in the provinces. It is impracticable at present to segregate these tax collections by the kinds of timber and other products on which collected for the reason that up to the date of making this report the assessment of taxes on these products has remained under the supervision of the bureau of forestry, and it is for this reason that the report of collections for the month of July, 1905, is not yet available. But under the proposed consolidation with this bureau of that portion of the former work of the bureau of forestry pertaining to assessments and collections it will be possible in the future to give more detailed information regarding these taxes.

DOCUMENTARY TAXES.

In section 116, Act No. 1189, are imposed specific and, in a few cases, ad valorem taxes on certain documents, instruments, and things therein enumerated. These taxes became effective on January 1, 1905, and during the six months ended June 30, 1905, there was collected from the sale of documentary stamps the sum of ₱82,753.77; during July, 1905, ₱13,811.08; total for the seven months ₱96,564.85. Of this total 67.4 per cent was paid in Manila and 32.6 per cent was paid in the provinces. The old Spanish stamp-tax law was repealed by the internal-revenue law, and on January 1, 1905, it was found that certain values of the old issue stamps were in the hands of purchasers who were unable to use them before the time they became obsolete. Under the provisions of Executive Order No. 9 of February 13, 1905, prescribing the manner for the redemption of these old series of documentary stamps and stamped paper, this office invoiced to the city assessor and collector of Manila the necessary documentary stamps of the new issue. Up to the date of making this report ₱43.75 worth of stamped paper and ₱4,743.87 worth of stamps of the old issue had been redeemed, making a total of ₱4,787.62 of the new issue stamps delivered to holders of the obsolete stamps and stamped paper.

PERMANENT SYSTEM FOR COLLECTION OF TAXES.

Internal-revenue stamps.—All of the taxes imposed in Act No. 1189 are made payable by the use of internal-revenue stamps, documentary stamps or cédulas. Internal-revenue stamps are printed in thirteen denominative values, as follows: ₱200, ₱50, ₱20, ₱10, ₱5, ₱2, ₱1, ₱0.50, ₱0.20, ₱0.10, ₱0.05, ₱0.02, ₱0.01. The design is the same for all denominative values, being the obverse design on the Philippine currency silver peso, but each denominative value has a distinctive tint. These stamps are oblong in shape, with a panel at each end, in which the serial number of the stamp is placed in this office before issue. The stamps are invoiced by denominative values and inclusive serial numbers to the city assessor and collector of Manila and to the various provincial treasurers. The provincial treasurers distribute the stamps to their municipal deputies, and an invoice, containing denominative values and serial numbers, is filed in this office for each municipality. Municipal deputies sell the stamps to taxpayers on delivery of a requisition slip if the taxpayer is a manufacturer, or of a license coupon if he is a dealer. On each slip or coupon is noted, at the time of the purchase of the stamps, the denominative values and the serial numbers delivered to the taxpayer. The requisition slips are made in duplicate; one copy is retained by the collecting officer and one copy is filed in this office. License coupons are forwarded to this office after due entry is made for the proper quarter on the retained license stub. Requisition slips and license coupons are filed here in the same manner as index cards are filed under a modern index system. Taxpayers, however, are each given distinctive assessment numbers within the various schedules and paragraphs in which they are classified, and in this manner is avoided the necessity of compiling alphabetical indexes and assessment rolls. When a stamp has once been numbered in this office and invoiced it is a simple matter to ascertain at any time thereafter whether it is in the possession of the provincial treasurer, whether it has been invoiced by him to one of his deputies, or whether it has been sold by the deputy to a taxpayer, and, if so, to what particular taxpayer and for the payment of what particular tax it was used. All internal-revenue stamps are affixed to either a manufacturer's invoice, which accompanies his goods, or to a dealer's license, and all such invoices and licenses eventually return to file in this office. It thus becomes possible, by a simple system, to effectually remove stamps from the possession of the public after they have served the purpose, and to thus prevent their reuse. It is also possible under this system to detect counterfeit stamps should such be placed in circulation. It is proposed to have the internal revenue and documentary stamps for use in the future collection of these taxes printed by the Bureau of Engraving and Printing in Washington, and the governor-general of the Philippine

Islands has already forwarded the necessary designs and specifications for that purpose. In Plates XXVI to XXIX of Appendix Z to this report the manner of affixing internal-revenue stamps to invoices and licenses in the payment of the various taxes is fully explained.^a

Documentary stamps.—These stamps are printed in nine denominative values, as follows: ₱0.02, ₱0.04, ₱0.10, ₱0.20, ₱0.50, ₱1, ₱3, ₱10, and ₱20. The design of all these stamps is the same, being the reverse design used on the Philippine currency silver peso, but the stamps of the various denominative values are printed in distinctive tints. Documentary stamps are square and are half the size of the internal-revenue stamps. No serial number is placed on documentary stamps for the reason that it would serve no useful purpose. These stamps are invoiced to the city assessor and collector of Manila and to the various provincial treasurers in the same manner as the internal-revenue stamps are invoiced. These stamps are affixed to documents and canceled by persons executing such documents, and no attempt is made, nor would any attempt be practicable, to trace these stamps to the particular documents to which they are affixed.

Cedulas.—The cedula blanks, or certificates of registration, are of four classes, as follows: Class A, 1-peso cedula, sold to persons buying a cedula before the delinquency period arrives on the last Saturday of April of each year; class B, 2-peso cedula, sold to persons who were residents of these islands prior to the last Saturday of April, but who failed to purchase their cedulas before that time; class C, certificate of exemption, issued free to persons who are specifically exempt under the internal-revenue law and who need such certificates for use in the courts or in any public offices to establish their identity, etc.; and class D, 1-peso cedula, issued to persons who were not residents in these islands prior to the last Saturday in April, but who arrived after said date and should not therefore be made to pay the delinquency charge. All cedulas are serially numbered before issue from this office, a separate series being run for each class of cedula. They are bound in books of 100 cedulas and are distributed by the provincial treasurers to their municipal deputies for sale. Reports of sales of cedulas are made to this office by the inclusive serial numbers of the cedulas sold. The year for which issued is stamped conspicuously across the face of all cedulas, and when not used during the year for which printed they are returned to this office and are surcharged for the next succeeding year.

In Plate XXXII of Appendix Z to this report will be found a sample cedula, showing the method of issue.^a

ORGANIZATION AND WORK.

Collecting officers.—In the city of Manila the city assessor and collector, and in the provinces the provincial treasurers and their deputies, are charged with the distribution to taxpayers of the necessary register books, invoice books, license forms, etc., and with the sale to them of internal revenue and documentary stamps and cedulas. Inasmuch as liquors, cigars, etc., can not be removed from the place of their manufacture without the affixture of internal-revenue stamps to official invoice sheets, nor can license taxes be paid without the affixture of stamps on the face of such forms, the collecting officer's position is one of considerable responsibility, aside from his money accountability, and he is required to have on hand at all times stamps of the various denominative values sufficient to supply all local needs. In a few of the provinces of minor importance, from a revenue viewpoint, internal-revenue agents and gaugers have not been stationed, and in these the collecting officers have not only to attend to office work, but also to inspect the operations of manufacturers and merchants. Of course, in all localities it is the duty of collecting officers and their subordinates to keep a watch over delinquents, and to force the unwilling taxpayer to pay fully and promptly all taxes due. But wherever it has been possible to detail agents it has been done, and it has been found that the field-inspection work has been done much more satisfactorily and completely by these agents.

Internal-revenue agents.—This office has authority to employ 31 internal-revenue agents and the necessary number of gaugers to superintend the operations of manufacturers and other taxpayers. These agents are widely distributed throughout the islands. In some of the more important provinces it has been found necessary to station two agents, whereas in other localities one agent has to cover two or more provinces. In Manila three agents are stationed, who in conjunction with the inspection force of the city assessor and collector, satisfactorily attend to the enforcement of the internal-revenue law. It was found impracticable in these islands to station a storekeeper and a gauger at each of the distilleries, for the reason that of the 500 distilleries only a few are of sufficient importance to justify the expense necessary in detailing an

^aThese plates are on file in the Bureau of Insular Affairs, War Department.

officer to work permanently and exclusively in any one locality. Therefore, the work of an agent is general in all matters pertaining to the enforcement of the internal-revenue law in his district. They check the entries in the manufacturers' register books, take stock of cigars, cigarettes, etc., gauge distilled spirits on the premises, inspect all taxable goods they may find en route from the factory to the merchant, receive the invoice notification slips from the local collecting officer, call on the consignee named therein to check the goods received by him, and in general see that these and other provisions of the law are complied with by taxpayers. Agents report direct to this office all malfeasance on the part of collecting officers or their deputies, and all cases of fraud they may discover. In making their rounds they examine the dealers' licenses, and report delinquency to this office and also to the local collecting officer. Minor irregularities requiring correction they report only to the provincial treasurer of their district. One of the most important duties of agents is to check up the goods and see that they agree with the official stamped invoice, to attest all such invoices, and send them to this office for file. In this manner but a small proportion of all the stamped invoices sent by the manufacturers along with the goods remain in the possession of the consignees, and as the liquor and tobacco merchants know that the agent may call on them at any time it makes them that much more careful in seeing that all taxable articles are accompanied by an official invoice stamped in the correct amount for the taxes due. On the work of these agents largely depends, especially in the provinces, the thoroughness with which taxes are collected.

Office work.—There are at present in this office 1 deputy collector, 1 chief clerk, 1 law clerk, 1 record clerk, 1 statistical clerk, and 1 chief for each of the following divisions: Stamps and property, assessments and returns, and liquidations. The deputy collector has direct charge of the field-inspection force of internal-revenue agents. The chief clerk has general supervision of the work of all of the employees in this office, keeps the application and roster file of employees, attends to all the civil-service papers, checks the expense accounts of agents in the field, and supervises incoming and outgoing correspondence. The law clerk has charge of all the fraud and delinquency cases that may be reported by the city assessor and collector of Manila, by provincial treasurers or their deputies, or by the field force of agents. When the evidence is sufficient he submits the papers to the collector of internal revenue, for recommendation to the secretary of finance and justice, for approval of the imposition of administrative fines in minor cases. In cases where the offense is one of more than usual gravity the evidence, with the names of the witnesses, is submitted direct by this office to the provincial fiscal or to the prosecuting attorney in Manila, requesting that the case be prosecuted before the proper court. In these matters the attorney-general is consulted before definite action is taken. The chief of the division of stamps and property is also the bookkeeper of this bureau; he is under bond and has charge of the stamps and cedulas received in this office and issued to the various collecting officers. In this division the serial numbering of the stamps is done and assessment numbers of taxpayers are stamped on the register books, invoice books, license forms, etc., before they are sent to provincial treasurers. The chief of this division also attends to the making out of requisitions for additional supplies, stamps, cedulas, forms, stationery, etc., and to the proper care of all such property. Once a month the chief clerk and the chiefs of the two other divisions act as a committee to inspect and count the stamps and other property for which the chief of the stamps and property division is responsible and make written report to the collector. The chief of the division of assessments and returns checks all license coupons of manufacturers, stamps requisition slips and reports of collecting officers, as they come into this office, sorts all such coupons and requisition slips, reports, etc., into their proper places in the files, and compiles reports of collections under each paragraph of the internal-revenue law. The chief of the division of liquidations receives, checks, and files all official stamped invoices, stamped licenses surrendered by retiring dealers, and stamped stubs of manufacturers' invoice books. If he finds a short payment on any invoice or license the document is returned to the collecting officer or to some internal-revenue agent for correction and for collection of the short tax, if there should be such short payment, for the cancellation of stamps, or for any other purpose needed to enforce the regulations prescribed for the observance of taxpayers. The chief of the division of liquidations checks the serial numbers of the various denominative values of stamps, ascertains whether any particular stamp was used by the taxpayer who purchased it, whether there is any duplication of the serial numbers of any particular denominative value of stamp, which would mean a reuse or counterfeit of a stamp, and in case stamps are reported to this office as lost by taxpayers or stolen from collecting officers the chief of the liquidations division will be able, from the check he keeps, to locate such stamps should they afterwards be used for the payment of any of the taxes imposed in Act No. 1189.

In Appendixes X and Y to this report will be found the report of the record division and amount of fines and forfeitures imposed on and collected from delinquents. In Plates XXX and XXXI of Appendix Z to this report will be found a sample of an internal-revenue agent's commission.^a

CONCLUSION.

The collector of internal revenue has been fortunate in the selection of his office force and field agents. With but one or two exceptions the office and field positions in this bureau have been filled by loyal and efficient employees and officials. As a growing bureau in process of organization the work to be done constantly increased in a greater ratio than additional positions could be provided and filled. As a result much overtime work was required, both in the office and in the field, and almost without exception the employees and officers have appreciated the needs of the service and have cheerfully worked late into the night whenever important work had to be done. One and all have taken an interest in their work, have foregone their vacation leaves, have worked as many hours during the hot season as at other times, and have been mutually helpful when there happened to be a great press of work in any particular division.

Under these circumstances it might seem unjust to select any one or more officers or employees for special mention. The more responsible positions in this office are filled by Capt. Henry Steere, deputy collector; Mr. Carl G. Clifford, chief clerk; Mr. Adam R. Gard, law clerk; Mr. O. M. Shuman, chief of the stamp and property division; Mr. John C. Ruymann, chief of the division of assessments and returns, and Mr. C. D. Gooch, chief of the division of liquidations.

Respectfully submitted.

JNO. S. HORD,
Collector of Internal Revenue.

To HON. HENRY C. IDE,
Secretary of Finance and Justice, Manila, P. I.

APPENDIX A.

REPORT ON THE SYSTEM OF INTERNAL TAXATION OBTAINING IN THE PHILIPPINE ISLANDS UNDER THE SPANISH RÉGIME, AND MODIFICATIONS IN SAID SYSTEM BETWEEN THE TIME OF THE AMERICAN OCCUPATION AND THE ENACTMENT OF THE INTERNAL-REVENUE LAW OF 1904.

MANILA, P. I., November 18, 1903.

SIR: Complying with your verbal instructions I have the honor to report as follows regarding the present status of internal-revenue taxation (excepting the real estate tax and taxes imposed by municipal corporations) in the Philippine Islands, together with recommendations as to the repeal or the amendment and incorporation of such internal-revenue taxes, or portions thereof, in the proposed internal-revenue law.

Under the Spanish fiscal system internal revenues were derived from the following sources:

I. Contract for the sale of opium, yielding in the fiscal year 1896-97, 576,000 pesos; suspended since the American occupation.

II. Lotteries, yielding in the fiscal year 1896-97, 1,000,000 pesos; suspended since the American occupation.

III. Coinage of money, yielding in the fiscal year 1896-97, 200,000 pesos; suspended since the American occupation.

IV. Urbana tax, yielding in the fiscal year 1896-97 140,280 pesos. This was a tax of 5 per cent on the net income from city property, including both the lots and the improvements thereon. An additional tax assessed on the length of the frontage of houses on the streets was also collected. The net income assessable was arbitrarily fixed at 75 per cent of the gross income from houses actually rented, and for houses not rented at the net income obtainable from similar houses actually rented.

Since the American occupation the urbana and frontage taxes have been amended and finally repealed as follows:

By General Order 13, December 13, 1898, of the military governor, the tax rate was reduced from 5 per cent to 3 per cent; the payment of 2 per cent to the collection

^aThese plates are on file in the Bureau of Insular Affairs, War Department.

agency as commission was discontinued; the methods of assessment and collections were amended. By General Order 53, April 17, 1900, of the military governor, the surtaxes on taxes due prior to July 1, 1900, were condoned. By Acts Nos. 82 and 83 of the Philippine Commission, as amended by Act No. 133, it was provided that the taxes collected be equally divided between the provincial and municipal treasuries. By Act No. 183 these taxes were abolished in the city of Manila. By Act No. 223 these taxes were abolished in the provinces and municipalities.

[Remarks and recommendations: Collusion between landlord and tenant to defraud the revenues was encouraged by the regulations for the assessment and collection of the urbana tax. The rent rate would be deliberately reduced when assessment time came around, or receipts for fictitious sums as rentals were prepared. On the other hand, the amount allowed—25 per cent of the rental value—for repairs, etc., to be deducted, was too rigid, inasmuch as stone or brick houses and newly constructed lumber houses would not require that outlay in repairs during any one year, whereas other houses might require a much larger expenditure to keep them in habitable shape. Thus the urbana tax in actual practice lost its main claim to recognition and permanence—i. e., as a tax on the net-income-producing capacity of city property. The frontage tax was in effect a surtax on the urbana tax, but was not based even approximately on the actual market value of the house nor on its income-producing capacity. Both of these taxes were repealed by the real-estate tax, which, properly assessed, is a far more equitable system than were those it repealed. In its harsher features the real-estate tax will oblige owners of urban houses and lots to either improve their properties or transfer them to others able or willing to make such improvements, so even here the good of that part of the public living in cities is subserved.]

My only recommendation regarding the urbana tax and the frontage tax is that they both stay repealed.]

V. Tax on forest products, yielding in the fiscal year 1894-95 122,000 pesos. This tax appears to have been abolished and replaced by the taxes on forestry products and regulations for their collection provided in General Order 92, June 27, 1900, of the military governor, which was subsequently amended as follows: By Acts Nos. 82 and 83, as amended by Acts Nos. 133 and 374, the proceeds were to be divided between the provincial and municipal treasuries. By Act No. 527 amended so that proceeds are covered into the insular treasury and after deducting cost of collections net proceeds are to be returned to the respective treasuries where the forestry products were actually cut or gathered. By Act No. 165 is provided the method for the collection of the tax.

This tax is collected in United States and Mexican money, and the total collections in the Philippine Islands for the fiscal year 1902-3 were \$27,174.05 United States currency and Pfs. 457,785.55 Mexican currency.

[Remarks and recommendations: In section 132 of the proposed internal-revenue law are provided schedules of taxes for the cutting, gathering, or removal of forestry products from the public forests or forest reserves; regulations for the collection of the taxes, provisions for the payment of the proceeds into the insular treasury and for the appropriation of 10 per cent for the use and benefit of the various provinces and of 15 per cent for the various municipalities, to be distributed in proportion to population. A proposed forest act is also before the Commission. The rates of taxation prescribed in the proposed internal-revenue law are less than the existing rates; inasmuch as this tax is charged on all forest products, even those intended for export, and for other reasons, I believe the reduction in the rates to be a wise move.]

My only recommendation regarding the tax on forestry products is that section 132 of the proposed internal-revenue law be enacted as drafted and that the rates of the taxes therein imposed be fixed in the sums mentioned in Philippine currency.]

VI. Stamp taxes, imposed by royal decree of May 16, 1886, yielding in the fiscal year 1896-97 870,000 pesos, of which amount 100,000 pesos were for postal communications, 220,000 pesos were for telegraphic dispatches, and 24,000 pesos were for fines remitted, leaving a net collection of 526,000 pesos. This tax is paid by the use of adhesive stamps and of stamped paper of many denominative values, and was imposed on legal documents and certificates of compromise of suits, public records, insurance policies, certificates of stock, transfers and mortgages and leases of real estate, sales on exchange, judgments for debt, annuities and legacies, notarial certificates, inventory of notarial records, registration of documents, powers of attorney, receipts of all kinds, accounts, balances, and other bookkeeping papers, drafts, bills of exchange, checks, letters of credit, promissory notes and transfers issued by banks against branch banks, receipts for salaries of all kinds, judicial fines, titles and diplomas, and a number of other minor objects. This decree has been amended as follows: By General Order 57, November 13, 1899, of the military governor, the affixture

of stamps to receipts for salaries by government employees whose salary was less than 50 pesos Mexican per month was temporarily suspended and appears to have never been revived. By General Order 61, November 23, 1899, of the military governor, the tax was abolished on receipts passing between officers of the supply department and on receipts given by regimental medical officers for articles of diet purchased for regimental sick. By General Order 42, March 12, 1900, of the military governor, the tax was abolished on receipts for amounts less than 50 pesos of civil funds paid out by disbursing officers. By Acts Nos. 82 and 83, as amended by Acts Nos. 133, 374, and 527, stamp-tax collections after June 30, 1901, ceased to be collected as insular funds and were to be equally divided between provincial and municipal treasuries until such time as an internal-revenue law should be enacted by the Commission. By Act No. 190 the use of stamped paper for judicial documents was abolished. By Acts Nos. 136 and 496, by repealing the old notarial system, practically abolished "certified copies" on stamped paper of instruments affecting real estate.

This tax is collected in United States and Mexican money and the total collections for the islands for the fiscal year 1902-3 were \$38,772.43 United States currency and Pfs. 149,787.79 Mexican currency, of which amount \$26,563.34 United States currency and Pfs. 100,274.65 Mexican currency were collected in the city of Manila.

[Remarks and recommendations: There appears to have been urgent need for special legislation for some time past specifically enumerating the objects still subject to this tax. The matter has been approached indirectly in several acts of the Commission, and by inference certain of the stamp taxes have been abrogated or amended as to the manner of their collection, etc.; but this has thrown a haze over the entire system and has imposed too much responsibility, as interpreters of the law, on the administrative officers charged with the collection of these taxes. The deputy collector of internal revenue of the city of Manila, who has had direct charge of this branch in this locality, informs me that in the absence of needed legislation his office has been obliged to suspend by "custom" the collection of certain of the stamp taxes. There is good reason to suspect that the assessment and collection of these stamp taxes is not made in a uniform manner throughout the islands. In this connection is respectfully submitted herewith an envelope marked "A" inclosing a circular issued on November 11, 1903, by the Manila city assessor and collector specifying the documents, etc., on which stamps should continue to be affixed, for the information of taxpayers; a communication from the treasurer of the province of Batangas dated February 24, 1903, requesting information as to the payment of stamp taxes; and a communication from Judge Williams, of the court of land registration, dated February 9, 1903, making similar inquiries and attached to which is a report on the matter of stamp taxes made by me to the civil governor, at his request, on August 20, 1903.

Of the stamp taxes imposed in the royal decree and now being collected the following are repealed by the provisions of the proposed internal-revenue law as now printed, inasmuch as stamp taxes are imposed on the same objects in sections 116 and 126 of said law: Insurance policies, certificates of stock, transfers, mortgages, and leases of real estate, sales on exchange, notarial certificates, registration of documents, powers of attorney, receipts, drafts, bills of exchange, checks, letters of credit, promissory notes. Of the remaining stamp taxes imposed in said royal decree the following appear to be the only ones not already repealed either by direct enactment or order in the general orders and acts cited above, or by construction of law: Public records, certificates of compromise in lawsuits, judgments for debt, inventories of notarial records, accounts, balances and other bookkeeping papers, transfers issued by banks against branch banks, receipts for salaries of all kinds, titles and diplomas, and certain other minor objects the revenue from which would be trivial and the annoyance to the public great. In my report to the civil governor ("A" herewith) of August 20 last I recommended that none of these items be included in the new law.

In sections 147 and 150 of the proposed internal-revenue law it is provided that the collections from stamps on specified objects be covered into the insular treasury and thereafter that 10 per cent be appropriated for the use and benefit of the various provinces and 15 per cent for the various municipalities, to be distributed in proportion to population.

My recommendation is that the stamp taxes in section 116 of the proposed internal-revenue law be enacted as drafted.]

VII. "Cedulas personales" or registration tax, yielding to the Spanish Government in the fiscal year 1896-97 7,000,000 pesos. At the time of the American occupation this tax had been amended, so that paupers and certain privileged classes paid nothing, and for the rest the annual tax ranged from 1 peso to 37.50 pesos, rated according to the income enjoyed, or on the basis of the other taxes paid by the taxpayer.

Chinese residents paid special cedula taxes in yet higher sums. Besides being an important source of revenue, there were other uses equally important, from the taxpayers' view point, to which cedulas were put, i. e., as a sort of domestic passport for purposes of identification and to enforce certain rights in the tribunals and elsewhere.

After the American occupation such was the demand for these cedulas that they could not be issued fast enough. By general order 7, February 25, 1899, headquarters Department of the Pacific, guards at the city gates were directed to not require the presentation of cedulas until they could be issued to the large number of applicants, by or about March 15, 1899. By general order 58, November 16, 1899, of the military governor male residents between 18 and 60 years of age were required to take out cedulas for the year 1900 at 20 cents Mexican apiece. Females could take out cedulas if they chose. By circular 12, December 12, 1899, of the military governor all internal-revenue officers and special officers to be named in general orders were directed to issue cedulas at an expense for collection not to exceed 10 cents Mexican apiece. By circular 2, March 30, 1901, of the military governor the crews and passengers on boats engaged in the coastwise trade were required to present cedulas. By Act No. 67 of the Philippine Commission the provisions of general order 58, November 16, 1899, of the military governor were extended so as to include cedulas for 1901. By Acts Nos. 82 and 83, as amended by Acts Nos. 133, 183, 267, 278, 320, 374, 377, 434, 527, 655, 740, and 785, the annual cedula tax rate for 1902 was fixed at 1 peso Mexican on all male inhabitants between 18 and 55 years of age, except paupers and infirm persons, United States soldiers and sailors, foreign consular officials, members of non-Christian tribes, and all persons who in 1902 and succeeding years paid a total in excess of 1 peso Mexican as industrial or real-estate taxes, one-half of the cedula tax collections to be covered into the respective municipal treasuries and one-half into the respective provincial treasuries. By Act No. 183 the cedula or registration tax, as enacted above, was extended to the city of Manila. By Acts Nos. 655 and 740 civilian employees of the War and Navy Departments were exempted from the payment of this tax, and the exemption clause, whereby persons paying in excess of 1 peso Mexican in other taxes were relieved from the payment of the cedula tax, was repealed. By Acts Nos. 267, 278, 377, and 434 the time in which cedula taxes could be paid without penalty was extended from time to time. By Acts Nos. 655 and 740 it is provided that a delinquent may be imprisoned for five days, which shall relieve him from the payment of this tax, and a cedula or registration certificate shall be issued to such delinquent upon his release. By Act No. 527 it is provided that the proceeds from the sale of cedulas or certificates of registration shall after June 30, 1901, be paid in equal parts to the various provincial and municipal treasuries until such time as the Commission shall enact an internal-revenue law.

This tax is now being collected in United States and Mexican money and in the fiscal year 1902-3 the total collections in the islands amounted to \$230,560.72 United States currency and Pfs. 1,300,277.74 Mexican currency, of which sum \$9,076.53 United States currency and Pfs. 106,871.87 Mexican currency were collected in the city of Manila; but there is reason to suspect that a number of cedulas or certificates of registration were sold in Manila to transients who should properly have bought them in the outlying provinces. I base this statement on the census figures giving the population of the city of Manila and which figures are presumably correct.

[Remarks and recommendations: The "cedulas personales" tax has been variously described as a poll tax and as a graduated poll tax. This is true only in a certain degree inasmuch as a large, perhaps the larger, portion of this tax was collected as a residence tax on Chinese subjects and as a surtax on the income and industrial taxes paid by others, and also because of the exemption from the payment of the cedula tax which was enjoyed by a large number of privileged persons. What proportion of the cedula tax was collected by the Spanish Government from Chinese subjects I have no means of ascertaining, but there is no doubt that if a special registration tax of say \$20 apiece was imposed in the proposed internal-revenue law on such aliens the yield would exceed \$1,000,000 per annum, under existing conditions, and at a minimum cost for collection; and if at any time in the future the Chinese-exclusion act should be modified so as to admit such aliens to these islands, the yield from such special tax would be increased several fold. Of course questions of larger governmental policy would be involved in the proposition to tax Chinese subjects as such and my remarks here are put forth as a suggestion only and not as a recommendation.

In Porto Rico a poll tax was imposed but no regulations for the enforcement of the payment were provided and by general consent it remained uncollected. I am under the impression that a similar condition of affairs obtains in many sections in the United States, and that it is generally considered an obnoxious form of taxation.

In these islands the people have become accustomed to this tax and it should undoubtedly be continued in operation, not so much because it has become the custom of the people and because of the useful purposes to which the cedulas or certificates of registration can be put, as because the people have become accustomed to a form of taxation which is both wise and equitable in localities such as this where the masses acquire no property, consume no imported articles paying customs duties, and therefore in the absence of a poll tax would pay nothing whatever for the protection afforded them by the central and local governments—and also, perhaps, because of the yearly reminder to them that government exists, of their contribution thereto, and the interest they should take therein.]

VIII. "Industria" tax, imposed by royal decree of June 19, 1890, yielded to the insular government in the fiscal year 1896-97 1,400,000 pesos. This tax is a potpourri of almost every conceivable form of taxation, and, judged by the American standard as to what constitute the various methods of taxation, it would be much simpler to describe what the "industrial" tax is not than to define what it really is. In tariff p. 1 are imposed (a) corporation license taxes on banks; (b) percentage income taxes on the salaries of bankers, managers, and all employees of all kinds receiving 600 pesos or more per annum; on contractors, etc.; (c) corporation franchise taxes on the profits of banks, insurance companies, and mercantile associations; and (d) occupation taxes on custom-house, insurance, and real-estate brokers and shipowners and consignees, skippers, peddlers, money lenders, and on warehouses and docks. In tariffs 2, 3, and 4 are imposed (e) business-license taxes on all kinds of wholesale and retail merchants of all kinds of foreign merchandise and domestic products, manufactured and unmanufactured; (f) license taxes on importers, as such, of foreign goods; (g) license taxes on exporters, as such, of domestic products; (h) excise-license taxes on the sale of alcoholics, cigars, and cigarettes; and (i) occupation taxes on speculators, butchers, auctioneers, peddlers, dairies, hotels, boarding houses, and cafés. In tariff 5 are imposed (j) specific taxes on capstans, steam cranes, lighters, small vessels, tanks on water boats, wagons, carts, stages, omnibuses, express wagons, quiles, carromatas, calesas, and other carriages, including hearses; (k) occupation taxes on undertaking establishments, nine-pin and bowling alleys, billiard tables, gambling tables, horse races, theatrical companies, circus companies, menageries, bull fights, periodicals, and shops where bicycles are rented; and (l) a tax per meter of track of city tramways and railroads additional to the corporation tax imposed in tariff 1. In tariff 6 are imposed (m) specific license taxes on manufactories making the following articles: Coconut oil, on each press; white lead, alcohol, on each arroba capacity per diem, and in certain cases on each still; refined or purified sugars, on each horsepower, mill, machine, or concentrating apparatus used; tiles, on each furnace; aerated waters, on capacity per hour of bottles; wax and tallow candles, musical instruments, tanned leather, harnesses, etc., chocolate, matches, gas, spun and woven fabrics, native fabrics, ice; lime, on each kiln; soap, rigging, cordage and cables, flower essences and other chemical products, volatile liquids for illuminating purposes; husking rice, on each stone; glossing or bleaching rice, lumber, cut marble, paper, powder and other explosives, cigar cases, baskets, matting and native hats, saltpeter, other mineral and vegetable substances; cigars, for each workman employed; bricks and roof tiles, ink; jars and pottery of all kinds, on each furnace; indigo, on each set of buckets; cigarettes, on each machine and also on capacity; (n) special licenses or occupation taxes are also imposed on shipways for the building, repair, or careening of ships; bale presses, metal foundries; printing establishments, on each press used; steam laundries, bakeries, hemp presses, hydraulic steam presses and screw presses for baling raw tobacco, machine shops, shops for the construction or repair of all kinds of vehicles, and dyers' shops. In tariffs 7a, 7b, and 7c are imposed (o) occupation taxes on the following professions: Arts and trades, land surveyors, architects, surgeons, dentists, engineers of all kinds, building superintendents, civil and military physicians, teachers of music, drawing, and languages, appraisers of jewels, veterinaries, lawyers, mortgage recorders, chancellors and registrars of the audiencia, notaries public, clerks, interpreters, solicitors, reporters and notaries of various courts, appraisers in law suits, tailors, shoemakers, photographers, lithographers, harness makers, milliners, silversmiths, watchmakers and repairers, tobacco appraisers and connoisseurs, carriage repairers, tinkers, gilders of wood and metal, enamelers and mounters of precious stones, woodcarvers, gold lace makers, letter, seal and stamp engravers, tattooers, marble-cutters, tuners and repairers of musical instruments, makers of imitation jewelry, bookbinders, firework makers, hairdressers and barbers, building overseers, plasterers, whitewashers and painters, gunsmiths, cutlers, swordsmiths and makers of side arms, embroiderers, caulkers, carpenters, sailmakers, figure makers and molders in paste and pasteboard, farriers, blacksmiths, locksmiths, tinsmiths, glaziers, hatters, coopers, metal turners, and furniture makers.

In its final analysis the "industrial" tax proves to be a combination income-corporation-franchise-business license-occupation license-excise-industrial-import-and-export tax. For the purposes of assessment the towns are divided into four groups, thus: (1) Manila and certain of its suburbs; (2) Iloilo, Cebu, and other towns having over 30,000 inhabitants; (3) towns having between 15,000 and 30,000 inhabitants; (4) the remaining towns. In tariffs 1 to 7c are 350 paragraphs or specific tax rates, of which about 250 are graded tax rates according to the town group in which the business, trade, profession, industry, etc., is located or followed, Manila paying the highest rate. There are therefore approximately 1,100 distinct tax rates imposed in this law on 350 distinct industries, trades, etc., besides the franchise and income taxes imposed on a percentage basis. The rates imposed are widely divergent, thus, in Manila is paid an annual tax of 1 peso on hemp press moved by hand; each vender of cigarettes pays annually 2 pesos; each *casco* used for transporting merchandise, fruits, etc., 3 pesos; each vender of cocoanuts, betel nuts, etc., 4 pesos; each small vessel transporting timber, 5 pesos; each shop for the sale and repair of umbrellas, 6 pesos; each *quile*, *carromata*, *calea*, or other two-wheeled vehicle, 8 pesos; each seller of salt, 12 pesos; each drawing master, 15 pesos; each apparatus for making aerated waters, with a capacity of more than 100 bottles per hour, 16 pesos; each bull fight, 20 pesos; each seller of Spanish-woven goods, 24 pesos; each shop for the sale of parrots, canaries, and other song birds, 30 pesos; each cigarette machine, French pattern, 36 pesos; each horse race, 40 pesos; shops for the retail sale of a general line of provisions and groceries, 50 pesos; stores for the sale of bicycles, without the right to import, 60 pesos; dealers and speculators in lumber of all kinds, without the right to export, 75 pesos; powder mills and manufactories of explosives, 100 pesos; speculators and traders in cattle, with right to import, 120 pesos; stores for the sale of machinery of all kinds, with right to import, 150 pesos; stores and bazaars for the sale exclusively of Chinese, Japanese, and British Indian goods, without right to import, 200 pesos; stores and bazaars selling jewelry and fancy goods, without right to import, 250 pesos; general auctioneers, 300 pesos; stores for the wholesale of all kinds of groceries and provisions, including alcoholics of all kinds, with right to import, 400 pesos; money lenders making interest-bearing loans, 500 pesos; bankers engaged in a general banking business, 1,000 pesos; persons engaged in remitting and receiving, importing or exporting, buying or selling, on their own account or on commission, foreign goods or domestic products, and who may also be consignees of ships and merchandise and dealers in commercial paper, 1,000 pesos. A merchant with right to import direct generally pays double the tax paid by a merchant without such right; a merchant engaged in two or more distinct lines of business in the same locality pays but one tax, which is the highest rate assessed to any one of such lines of business; a merchant paying the highest tax rate imposed in any one tariff may be engaged in any and all the lines of business taxed in such tariff, but must pay additional tax or taxes if his business operations include lines of trade included in other tariffs. These are the general rules followed in making the assessments, but certain exceptions are made. The business-license tax rates imposed in the second, third, and fourth town groups are respectively about two-thirds, one-half, and one-third of the rates imposed in Manila and other localities included in the first town group. The occupation taxes imposed on peddlers, small vendors, manufacturing enterprises, and on professions, trades, and arts are, as a rule, uniform in all of the towns throughout the islands, and are generally fixed in a specific sum, payable annually in advance. The business licenses are payable in quarterly installments, in advance. The percentage income taxes are from 2½ to 5 per cent, and the tax on contracts is one-half of 1 per cent on the total amount of the contract.

In the table of exemptions are included (p) day-laborers and domestics of practically all kinds, and others, such as water carriers, barbers with small stands in streets and parks, embroiderers working at home, boatmen and canoe men, hand makers of cable, rigging, and cordage; captains and skippers not navigating on their own account, porters, constructors of fences, etc., of native houses, seamstresses, sack and mat makers, traveling circuses and theaters performing in streets and parks, clerks whose annual salary does not exceed 600 pesos, cabinetmakers and carvers working at home, public officials whose salaries are included in the State, provincial, and municipal budgets; spinners and weavers on a small scale, official printers and day-laborers, domestic servants, laundrymen, slaughterers, hand mortars for husking rice, milliners' assistants, bricklayers, solderers, carpenters, joiners, painters, lapidaries, and stonecutters working by the day; assistants to tailors, shoemakers, hatters, shirtmakers, silversmiths, watchmakers, and tinsmiths; workmen or day-laborers when they work for a salary or by the piece in shops or workshops paying the tax, day-laborers engaged in housebuilding, transportation, or loading or unloading of merchandise; stevedores, etc.; fishers and owners of trawls and fish traps, pilots, supercargoes, boatswains, ironers, cobblers, and all hawkers not covered in the vari-

ous tariffs and who sell only at retail rice and other edibles, cooked or raw, poultry and other country products, fish, lemonade, matches, pots, brooms, and similar knickknacks. The following industries are also exempted: (q) Breeders of all kinds of cattle for their own use for agricultural purposes, wagons and carts for agricultural purposes, savings banks and pawn shops loaning money on jewelry and other articles, owners of vessels of less than 20 tons burden or without decks or used for transportation on rivers or canals, quarries and mines and mining industries, establishments of mineral waters and mineral baths, manufactories run by water power in accordance with the "Ley de Aguas," ovens for making biscuits and cakes, owners of estates from the tax as exporters for exporting the products of their own lands, industries operated by the State, and from the import and export tax on the finished products or on articles imported or exported for the exclusive use of the State; farmers and cultivators selling the products from their own farms at wholesale and retail on the farm and in certain cases in neighboring towns, farmers purchasing work stock to be used on the farm and selling the same when no longer needed, tobacco and hemp presses used by agriculturists for packing the products raised by them or by merchants for products purchased by them, proprietors of forests selling lumber and firewood in locality where cut or gathered, mutual insurance associations not run for private profit, workshops in jails on such articles as are manufactured for the use of the jails or of the State. The following persons and establishments are also exempted: (r) Actors, dancers, gymnasts, conjurers, and musicians of bands and orchestras; educational establishments supported by the State, province, municipality, or conducted by charitable institutions; writers, authors, and editors of scientific or literary works; public libraries, reading rooms, museums, and other establishments the object of which is educational; hospitals and other charitable institutions, primary teachers, composers of music, physicians and druggists in hospitals, painters of portraits, landscapes, and historical scenes; private teachers of the higher branches and inventors. Lawyers and others connected with the judicial branches who conduct civil and criminal suits for the poor are exempted from the payment of 20 per cent of their occupation tax. Persons establishing a new kind of industry in the islands are exempted for two years from the payment of the tax.

The regulations prescribed for the assessment and collection of this tax are as complex as the tax itself, and there will probably be no need for more than a brief summary of the more important of these provisions. All persons native or foreign, not specifically exempted, are subject to the tax; the taxes imposed in the tariffs were covered into the insular treasury and a surtax on the same amounts was collected for provincial and municipal uses; 5 per cent additional of the tax was collected and distributed as follows: One per cent for general expenses, 2 per cent as commission to the person or establishment charged with the collection, and 2 per cent to cover uncollectable taxes and for administrative expenses in checking returns, etc. It will thus be seen that the Spanish Government expected to collect the tax intact as imposed in the tariffs, and as the collection was usually farmed out it probably succeeded to the extent that the assessment was properly made. Taxpayers made their returns of their business or occupation annually or at the time of engaging in such business or occupation; if they failed to make return or made a false return they had to pay the difference due and a surtax equal to the tax, and if they had been unassessed or improperly assessed for some time, they were punished in the same way, and in addition were made to pay back taxes due for two years, and if their delinquencies reached farther back the officers charged with the assessment were made to pay the difference, i. e., all back taxes due for more than two years; if they were merely delinquent in the payment of taxes properly assessed they had to pay a surcharge equal to 25 per cent of the tax; if they were bankrupt or insolvent certain proof had to be made of such fact, including a certificate by the local "gobernadorcillo," indorsed by the parish priest. The establishments of all delinquents were closed, and if the tax remained unpaid the delinquent's property was distrained and sold.

Since the American occupation the "industria" tax has been superficially touched, as follows: By general order of the military governor, dated November 28, 1898, the tax of one-half of 1 per cent on the amount of contracts made by government contractors of all kinds is repealed. By general order 16, April 20, 1899, of the military governor, that the United States military government, having continued in operation the general rules for the imposition, collection, and administration of the "industria" tax, now amends certain provisions in various tariffs; there are about twenty changes, most of them putting American goods on an equal basis with goods from other countries, and imposing additional rates on certain retail provision shops, on cigarette machines, and on printing establishments. By general order 67, December 16, 1899, of the military governor, increasing the occupation tax on lawyers from 50 to 100 pesos.

By general order 40, March 26, 1900, of the military governor, provides that municipal surtax shall not exceed 25 per cent of the regular tariff rates. By general order 53, April 17, 1900, of the military governor, that surcharges on taxes due prior to July 1, 1900, shall not be collected. By Acts Nos. 82 and 83 of the Philippine Commission, as amended by Acts Nos. 133, 303, 311, 374, and 527, the proceeds of the "industria" taxes collected after June 30, 1901, are to be divided between the respective provincial and municipal treasuries until such time as the Commission shall have enacted an internal-revenue law. By Act No. 497 is repealed paragraph 2 of tariff 1, which imposed a tax of 24 per cent on the salaries of employees of banks and private firms, stock, insurance and collection companies, and also repeals all amendments, modifications, and military orders relating thereto. By Act No. 647 is repealed the tax which was imposed in tariff 7b on notaries public, with retroactive effect from the time the land registration law took effect.

This tax is now being collected in United States and Mexican money, and in the fiscal year 1902-3 the total collections in the islands amounted to \$330,139.27 United States currency and Pfs. 1,096,765.34 Mexican currency, of which sum \$109,830.35 United States currency and Pfs. 306,283.90 Mexican currency were collected in the city of Manila.

[Remarks and recommendations: The claim has been repeatedly made that the "industria" tax—by some called a direct and by others an indirect tax—should be retained as a part of the tax system of the Philippine Islands (1) because, taken together with the "urbana" tax, it constituted an income tax on rentals, salaries, business profits, and emoluments derived from the pursuit of the various professions, trades, and arts, all of which were reached by no other kind of tax; (2) because it avoids a declaration by the taxpayer of income and personal property and the intervention of the inquisitorial assessor, and (3) because it is a system of taxation to which business has adjusted itself, and being an "old tax must necessarily be a good tax." On the other hand the repeal of the "industria" tax in toto has been advocated in view of the enactment of the proposed internal-revenue law and on the theory that to give permanence to the "industria" tax would make the insular tax system too multifarious and perhaps result in duplicate taxation.

In the analysis of the "industria" tax as given above the various taxes imposed are for the sake of convenience divided as follows:

- a. Corporation license taxes on banks.
- b. Percentage income taxes on salaries.
- c. Corporation franchise taxes.
- d. Occupation taxes on brokers, etc.
- e. Business license taxes on all kinds of wholesale and retail merchants dealing in all kinds of foreign and domestic merchandise, goods, and products, manufactured or unmanufactured.
- f. License taxes on importers.
- g. License taxes on exporters.
- h. Excise license taxes on the sale and manufacture of alcoholics, cigars, and cigarettes.
- i. Occupation taxes on speculators, butchers, auctioneers, hotels, etc.
- j. Specific taxes on vehicles, boats, capstans, steam cranes, etc.
- k. Occupation taxes on undertakers, circuses, theaters, bull fights, gambling tables, etc.
- l. Specific tax per meter of city tramways and railways.
- m. Specific license taxes on manufactories of cocoanut oil, sugar, tiles, candles, ink, indigo, paper, powder, hemp, and on most of the other manufacturing industries.
- n. Special license or occupation taxes on bakeries, laundries, printing establishments, etc.
- o. Occupation taxes on land surveyors, lawyers, surgeons, architects, teachers, interpreters, reporters, photographers, tailors, shoemakers, milliners, silversmiths, carpenters, and on many other arts, trades, and professions.

Of these taxes those included in subdivision (b) have been repealed by general orders or by acts of the Commission and should stay repealed; on the objects and occupations included in subdivisions (a), (c), (d), and (h) taxes are imposed in the proposed internal-revenue law, and can be dismissed from further consideration; the tax imposed in subdivision (f) is essentially a customs tax and should be repealed; the tax imposed in subdivision (g) is generally considered as an economic heresy and should be repealed. Of the occupation taxes imposed in subdivisions (i), (j), (k), (n), and (o) some should be repealed and nearly all should be eliminated from the proposed internal-revenue law inasmuch as the occupations taxed are peculiarly suited for exclusive taxation by municipal corporations, the license rates of which can be raised or lowered and a certain degree of elasticity be given to municipal

finances in the various localities so as to adequately meet the budgetary demands from year to year. The tax imposed in subdivision (1) could, if it is considered a good tax, be more properly incorporated in the tax on corporations or in the real-estate tax.

There thus remain for consideration the taxes imposed in subdivisions (e) and (m) on all kinds of business and manufacturing industries, except those coming within excise taxation proper, and such professions, trades, and arts as can be considered proper objects for a comprehensive system of taxation uniform throughout the islands. The question at once arises: Why should these taxes, which constitute the bulk of the "industria" taxes now being collected, be incorporated in the proposed internal-revenue law? And if it is decided to continue the collection of a tax on these commercial and manufacturing industries and on certain occupations, then (a) should the tax rates now imposed be continued, repealed, or amended? (b) Should the system of classification and assessment of merchants, manufacturers, etc., now in operation, be continued, repealed, or amended? (c) Should the existing system for the collection of the tax, the imposition of fines and penalties, and the distribution of the taxes collected be continued in operation or repealed or amended?

There is at present no direct tax imposed on personal property in these islands except in the province of Benguet (section 33, Act No. 48 of the Philippine Commission), and Nueva Viscaya (section 55 of Act No. 387) and other minor provinces to which said act is applicable, but those provinces are exempted from the payment of internal-revenue taxes (Act No. 111). If, therefore, the burden of taxation is to be evenly distributed among all classes it would appear to be absolutely essential that that large portion of the assets of the commonwealth represented by goods, wares, merchandise, and manufactured products of all descriptions should pay to the public treasury its proper quota of taxes, and my recommendation is that taxes on commercial and manufacturing enterprises in general and on certain professions, trades, and occupations, as enumerated below, continue to be collected. Through the experience derived from a year's enforcement of the "industria y comercio" tax in Porto Rico (very similar in all its essentials to the tax now being collected here, but now repealed in Porto Rico by the imposition of a personal property tax on a basis of assessment of market values), and after a thorough examination of the general orders of the military governors and of the acts of the Commission regarding taxation, and from interviews had with the deputy assessor and collector of Manila, in charge of the "industria" tax in this locality, and with one or two of the provincial treasurers, it is my opinion with regard to the rates of taxation, classification, or assessment of industries and method for the collection of the "industria" tax as now in force, that—

(a) The tax rates now imposed should be repealed, because (1) the rule of taxation is not uniform and does not even remotely constitute an income tax on profits at some approximately equal percentage of assessment. Thus, in paragraph 1 of tariff 2, bazaars selling all kinds of hardware, chinaware, glassware, jewelry, earthenware, porcelain, Chinese and Japanese goods, mirrors, musical, optical, and surgical instruments, games, perfumery, fine furs, and all articles analogous to those enumerated, pay in Manila an annual tax of 400 pesos if they import direct, or 200 pesos if they do not import, and as a matter of fact a number of these establishments combine and import their goods through one or two establishments or customs-house brokers who have paid the larger tax quota and qualified as importers, and in this manner the majority of such bazaars pay the lower tax of 200 pesos per annum. The volume of business done by a bazaar of this kind can be conservatively estimated at from 50,000 to 100,000 pesos per annum, with good profit—say from 10,000 to 20,000 pesos per annum—and on such basis the annual tax on the profits would be from 1 to 2 per cent, or from 2 to 4 per cent if the bazaar paid the higher tax as an importer. On the other hand, a simple stationer's shop or store pays by paragraph 24 of tariff 2 an annual tax of 200 pesos if it imports or 100 pesos if it does not, which is equal to just one-half the tax paid by the bazaars mentioned above, yet the volume of business done by the stationer would not be 20 per cent of that done by the owner of the bazaar, and his profits on a given amount of sales would not be one-half of the profits derived by the owner of the bazaar on the same value of sales of jewelry and fine goods of all kinds. All shops and stores dealing in the same line of goods in the same municipality pay the same specific tax regardless of the value of stock carried or the bulk of the annual sales, which provision is manifestly inequitable and a palpable absurdity, and especially in view of the claim made that the "industria" tax is an approximate income tax or in any sense a tax on the true value of personal property. It is interesting to speculate, though not difficult to forecast, what the effect on municipal and provincial incomes would be upon the installation here of the American system of department stores. In the examples cited above the owner of the bazaar pays from 1 to 4 per cent on the profits of his annual sales and

the stationer, it is safe to assume, pays from 10 to 20 per cent on his profits if he carries an extensive line of goods. If his stock is scant his tax, if figured on a percentage of profits basis, would be very much higher. The tax rates now imposed should be repealed also, because (2), of the haphazard hit-and-miss kind of way in which the taxes are imposed. Thus a dealer in a small booth exclusively of salt and only at retail pays an annual tax of 12 pesos, but if he quits selling salt and takes to peddling cigars, cigarettes, coconuts, betel nuts, etc., thread, cotton, needles, buttons, etc., nipa, rattan, cane, and bamboo, his annual tax is reduced to 2 pesos, but if he drops cigars and cigarettes from his stock his tax is increased to 4 pesos per annum; again a retailer exclusively of rice pays 30 pesos per annum, whereas a retailer exclusively of alcohol pays an annual tax of but 10 pesos; a shoemaker pays an occupation tax of 100 pesos and a silversmith only 30 pesos; a surgeon pays the same occupation tax as a chiropodist—12 pesos—but an engineer, any and all kinds, pays 100 pesos and his assistants pay 50 pesos each. Instances of the illogical and extremely inequitable manner in which the "industria" taxes are distributed throughout the various tariffs might be multiplied almost indefinitely. The taxes imposed on the very small dealers, although disproportionate to the other taxes, are moderate enough and therefore not particularly objectionable, but when the peddler or booth-keeper saved enough to start a small store his troubles began and he would find it very difficult to save enough from his profits to extend his business. If the object of the author of the "industria" tax law was to limit the more important and more profitable branches of trade within a chosen circle of long-established concerns and their branch establishments throughout the islands, he has succeeded admirably. The tax rates now imposed in this law should therefore be repealed, because (3) under the changing conditions of commercial life they are repressive of industry and of the praiseworthy ambition of the merchant with modest capital. They should also be repealed, because (4) they are based on the false assumption that the profits derived from business enterprises in Iloilo and certain other towns are only two-thirds and in other towns only one-half and one-third, respectively, of what the profits on the same business enterprises are when conducted in Manila; and finally, these tax rates should be repealed, because (5) through the consolidation of various municipalities now in progress by the Commission will result an anomalous condition whereby similar business enterprises located in the same municipality will be taxed at widely divergent rates and the existing tax system, which even now is in the nature of an intermunicipal (or octroi) tax, would become much more complicated and inequitable.

(b) I recommend that the existing system for the assessment or classification of the business enterprises be repealed, because (1) the tax is imposed on too many objects or distinct kinds of business, grouped, arranged, and rearranged, distributed and redistributed from paragraph to paragraph and throughout the tariffs, by arbitrary distinction and without any real difference, and continually shifted with kaleidoscopic effect and in such manner that the oldest man in the world would not live long enough to become an expert assessor of this tax. I found in Porto Rico that even men who had served for years in the office of the "intendente" during the Spanish régime seldom agreed in their interpretation of the "industria" tax law. Spanish lawmakers in their futile attempts to make their penal codes provide punishments fitted with the utmost precision to punish every offense that could possibly be committed, and in their attempt to give due weight with the utmost nicety to each and every aggravating or extenuating circumstance attending the commission of an offense, enacted laws which make a single day the unit of time for the measurement of terms during which criminals could be imprisoned. Some such attempt at mathematical accuracy appears to have been attempted in the preparation of the "industria" tax law, but the result obtained has been to hopelessly involve the intent of the lawmaker and thereby to invest in the assessors and heads of the administrative departments an undesirable degree of discretion, amounting in some cases to the imposition administratively of new taxes or to an administrative exemption from taxation, and therefore the existing system for the assessment or classification of business enterprises should be repealed, because (2) the provisions of law are involved, illogical, inequitable, contradictory, and so complex and obscure that their administration with any but an approximate degree of uniformity, by the revenue officers in different parts of the islands, is not to be expected, even assuming that such officials acted at all times with perfect impartiality. In this connection I submit herewith, in an envelope marked "B," certain documents relating to the taxation of a rice hulling mill run by Mr. Griffith in Apalit, province of Pampanga, and a communication from Mr. Ortigas, of Manila, relating to the assessment of the tax on crude and rectified alcohol. The regulations for the classification and assessment of certain stores should also be repealed, because (3) the tax rate is not fixed

according to the value of the stock of goods, nor of the volume of sales made, nor of the profits derived, but instead is assessed on certain objects generally considered immune from the tax gather, i. e., light, air, and elbowroom; thus in paragraphs 34 to 37 of tariff 4 stores and shops for the sale of spun and woven goods, clothing, toilet articles, and a general line of goods sold by haberdashers pay in Manila annual taxes as follows: If the shop has but one door open to the street, 120 pesos; if it has two doors, 150 pesos; and if in addition it has a go-down, 200 pesos. Of course Chinese and other merchants, with comparatively large stocks, get into the lower class rate by cooping themselves up in a small den, and by piling and hanging their wares up to the ceiling, to the great discomfort of themselves and the public, and all because by this unwise provision of law a premium is put on darkness, overcrowding, and heat, and the necessary concomitants of filth and disease.

(c) I recommend that the provisions of the "industria" tax for the collection of these taxes be repeal, because (1) they are too antiquated and not fitted to serve the purposes of a modern system, in fact have already from necessity been largely departed from; (2) because they provide for the intervention of certain officials, including ecclesiastics no longer known to existing laws, and (3) because the punishments and penalties provided for defrauders and delinquents are not uniform with the other penal provisions of the proposed internal revenue law and because they do not provide adequate punishment for offenses of an aggravated nature.

It would therefore appear that the defects in the "industria" tax system now in force are structural in their nature and can not be properly dealt with by amendment or modification. If, as has been alleged, the business of these islands has adjusted itself to the provisions of this law it is safe to assume that the kind of adjustment meant is on all fours with the kind of adjustment that is brought about between the board and the skull of a Flathead Indian papoose.

I have deemed it advisable to make a thorough analysis and criticism of the existing "industria" tax system in view of (1) the proposed incorporation of certain of the objects taxed in the proposed internal-revenue law; (2) in view of the handsome revenue now yielded by the taxation of commercial and manufacturing enterprises and the increased yield which could be expected through the enactment of a practicable and equitable law imposing taxes on such enterprises; (3) in view of the necessity of a tax on such personal property which, taken together with the other taxes imposed in the proposed internal-revenue law and the real-estate taxes now in operation, would round out the internal-revenue taxation system of the islands, and (4) in view of the opposition which the commercial interests, now protected by the "industria" tax system, may be expected to develop against any change in the existing law.

So much for the tearing down of the old; now as to the building up of the new system to take its place. In the preparation of the inclosed draft of a "tax on business, manufacture, and occupation" I have endeavored to secure—

1. That the rule of taxation should be uniform throughout the islands.
2. That the manner of the assessment be simple, intelligible to even the most ignorant taxpayer, and that it be not repressive of any business or industrial enterprise.
3. That the occupation taxes on professions, trades, and arts be limited in number, so that the various municipalities may have an ample scope of objects on which to impose and grade municipal occupation taxes sufficient to meet any deficiency in their local revenues for any year.
4. That the payment of the taxes should, to the extent possible, be made automatically.

The system of taxation proposed in the inclosed draft may be described as an indirect tax on certain personal property collected at the time of change of ownership. All personal property is not reached by this tax, but such kinds of personal property as are not here included will, to a certain extent, incidentally pay other taxes imposed in the proposed law, thus such portions of the ordinary man's salary as are not spent in the purchase of goods would be put in some bank and there taxed as a deposit, fortuitous profits and moneys received for services rendered are reached in some way in the stamp-tax schedules. Such property as carromatas and other vehicles, boats, etc., is not reached in the draft here submitted, but are properly left as objects to be taxed exclusively by municipal corporations, and finally if work stock, agricultural implements, and agricultural products consumed by the farmer himself or sold by him are not taxed it is probably a wise exemption.

The occupation taxes imposed in section 144 of the inclosed draft are much lower than the taxes now imposed by the "industria" tax law and should be satisfactory to the average taxpayer.

There is a certain analogy between the customs taxes collected on imported goods and the taxes imposed in the draft here submitted—in the former case the importer acts as an unofficial collection agency for the government, but inasmuch as he has already paid the customs duties he adds them to the price of his goods, and to this total adds his percentage of profit and thus collects from the consumer a surtax on the customs duties which never gets into the insular treasury; on the other hand the merchant and manufacturer in the draft of law here submitted act as collection agents for the government, but under the proposed provisions they have neither the opportunity nor the inducement to collect a surtax from the consumer of their goods.

Whether or not there is any absolutely certain, complete, and equitable method devisable for the assessment of personal property will probably forever remain an unsolved problem. I submit the above draft of law because I believe it will eliminate most of the objectionable features of the existing law, establish a more uniform rule of taxation, and will put merchants and manufacturers on an even footing in so far as such equal rights and opportunities can be secured by legislative enactment.]

Respectfully submitted.

JNO. S. HORD.

To HON. HENRY C. IDE,
Secretary of Finance and Justice, Manila, P. I.

APPENDIX B.

EXCERPT FROM "THE PHILIPPINE FLORA," VOLUME IV, BY FATHER BLANCO— NIPA PALM (SASA).

NIPA FRUCTICANS, Wurmbr.

It is well known that the vino pampango (pampangan wine) is drawn from the nipa. Houses are thatched with its leaves, and it is useful for many things. When the centipede stings the sting is cured at once by masticating nipa and applying it thereto.

Partially dried nipa, placed over a sore or upon the lint applied to the sore, is a holy thing; it forms the scab and does not allow the formation of pus.

Nipa.—Monœcious flowers. The males have spathes with corolla of six petals. The females in spathe without corolla. The fruit consist of many angular drupes.

Nipa shrub.—Winged leaves, numerous sword-shaped leaflets, and all joined by the apexes, as with the cocoanut, and in time they separate. Monœcious flowers in spathes. Males in two-leaved spathes. The minor one covers three or four oblong receptacles filled with innumerable leaflets, very closely packed at the end of a long, scaly, pine-shaped growth, the underscales of which do not conceal any flower whatever. The corolla has from four to six lineal and thick petals. On the exterior side one thread of the stamen is as long as the corolla; the anterior of the whole length of the thread is conical, with semispiral furrows and no hole. The females issue paired with the males on one side of the growth and on their own rod, and are united in a globular receptacle having at its base about ten or eleven pointed leaflets in two series. The germs in great numbers are semipyramidal and pinelike in shape, and when young each has a fissure wherefrom exudes a fluid resin. The fruit consists of many drupes close together and easily separable. The drupe is truncated and compressed by two or three projecting angles and other obtuse ones; the covering thereof is hard on the outside and towlike within; the nut is likewise hard.

[From Volume III.]

These palms, also called "sasa" and known by everybody, grow on lands covered by salt water, and their greatest height is about 2 brazas (12 feet). The usefulness drawn from them is very great; its leaves masticated and applied to the stings of centipedes cure at once; moreover, they serve as thatching for houses. A decoction of them is excellent for washing wounds. The water that exudes from the spadixes of the flowers, treating them as is done with the cocoanut, and called tuba by the Indians, serves as an excellent yeast for wheat bread in this country, where flour yeast spoils quickly. But if this latter is good it is better to use it, because bread made of tuba yeast sours soon. The tuba liquor, like that of the cocoanut, is administered to consumptives. After standing a few days it becomes, without further process, a highly prized vinegar. Spirit is also made therefrom by heat distilling.

It is claimed that this spirit preserves the eyesight if the eyes be bathed with it in the morning. It also imparts an agreeable odor to tobacco. The fruit—i. e., each drupe—is almost identical as to conditions and texture to the cocoanut; the interior meat is eaten. The sole difference is in the shape. It flowers in September.

FURTHER REMARKS.

In Capiz and Panay they make from the green, young, and corrugated leaves half-round pails to bail out water and tuba from the bancas. With the dry leaves, also used for thatching, they manufacture very wide, conical-shaped hats, good protectors from the sun. They likewise use them to make sails for cascoes and other small craft. The dry leaves are also useful as fuel for the boilers of some domestic industries.

The fiber of the outside leaves is used to make magnificent brooms.

With the meat of the fruit and fresh tuba they make good sweetmeats.

The fresh tuba is a very agreeable and sweet drink, but it must not be abused of because it is rather laxative. From tuba sugar can be extracted, and from the ashes of the leaves and branches potash is obtained, but in small quantities. (Experiments made in Ayala's laboratory.)

The plants when bathed by salt water produce tuba of greater saccharine richness. In order to produce fruit in abundance the trees should be at a certain distance from each other, removing those between and leaving on the others only four or five leaves.

To kill the plant it is not only necessary to cut it even with the ground, but also to stick the root, shaped like carabao dung, with an iron bar.

These plants are useful to utilize and fortify swampy land unfit for any other cultivation because bathed by salt water.

They have an enemy in the insect called "acsip." When attacked the plant begins to dry up and dies in a short time. This is propagated easily from one plant to another, and the only remedy heretofore employed has been to burn the portion of nipa plantation attacked by this disease.

APPENDIX C.

THE NIPA PALM.

[From "Medicinal Plants of the Philippines," by T. H. Pardo de Tavera, Madrid, 1902, pages 298 and 299.]

NIPA FRUITICANS, Wurmbr.

Common name, "nipa" in Spanish; "sasa" in Tagalog.

Applications.—The dry leaves of this palm tree are those generally used in the towns of Manila, in Pampanga, Bulacan, and other provinces, for the roofs and walls of the so-called nipa houses. The decoction of the fresh leaves serves as a lotion in sores of a bad nature, and from the fruit a sweetmeat is made which is highly prized in the Philippines.

Like the cocoanut, this palm tree, under the same process in practice, produces a liquid called likewise "tuba," and having identical properties. The spirit obtained by distillation is suitable for the cure of inflammation of the eyes and for conjunctivitis; a few drops are put into a small quantity of water, wherewith the affected eye is bathed several times a day.

This spirit, wrongly called nipa wine, has an odor peculiar to itself and rather disagreeable, which makes it unsuitable for industrial purposes. Several chemists have at different times tried various processes to eliminate from the nipa alcohol its characteristic smell, but the results were always negative because the essence imparting the odor distilled, apparently, at the same temperature as the alcohol itself. Finally, Don Anacleto del Rosario, a distinguished Filipino chemist, has succeeded, by a process of his own, in producing from the nipa "tuba" an absolute alcohol perfectly free of the characteristic odor—an alcohol chemically pure and of such favorable conditions that when presented at the last World's Fair in Paris it secured the first prize in alcohol competition. Messrs. Ayala & Co., the proprietors of Señor del Rosario's process, presented said alcohol, and they manufacture it at their distillery in San Miguel.

APPENDIX D.

DISTILLED SPIRITS IN THE PHILIPPINES.

[Editorial from *El Mercantil*, of Manila, July 8, 1906.]

From the time in which the manufacture of alcohol in the Philippines was encumbered with internal-revenue taxes, in consequence whereof a discussion arose as to whether or not such taxation would either crush or improve said industry, everything concerning domestic alcohols would appear to be of interest, and for this purpose we will give a brief account of the vicissitudes it has undergone in the Philippines from the most remote times.

After describing by steps everything that has taken place here with regard to said industry, the public may draw out the consequences and make comparisons, pointing out what shall be the final destiny reserved for this class of products, which, as regards this country, were thriving from day to day.

Such spirits as were distilled in this country from the coco and nipa palms were monopolized in 1712 by Don Martin de Urzua, governor of these islands, upon request of the municipal council, by reason of the abuse which the natives made of the same, being then farmed out for the sum of ₱10,000. In 1714 and 1720 royal orders were received wherein it was provided that under no pretext should the manufacture or sale of alcohol made from the sugar cane be permitted or consented to, violators to be fined in the sum of ₱1,000 for the first offense, ₱2,000 pesos for the second offense, and ₱3,000 for the third, besides destroying the utensils used in manufacturing and seizing the liquor so distilled.

Later on, by royal order dated 1725, the monopoly was abolished, and the municipal council again prayed for it as a punishment for drunkenness.

By reason of the war with the British the manufacture and sale of alcohols again came to be free until the year 1764, in which the trade was prohibited, the farming out of the sale of alcoholic beverages being reestablished.

Under date of December 20, 1787, the intendente (secretary of finance), D. Ciriaco Gonzalez Carvajal, reported having included the vino business within the control of the administration, under the financial department and under the management of the collector of revenue on tobacco, in some of the provinces of Luzón, in compliance with a royal order of the year 1786.

In 1814 special offices for the vino revenue were established, and the monopoly was extended to all the provinces in these islands.

The monopoly offices having adduced the several reasons which since 1836 had contributed to the falling off in the products which formed this revenue, and the paralysis they were in, owing to the numerous stores freely selling European alcohols, it was provided, by a decree of the year 1851, that such stores should be taxed as follows: Stores selling alcohol wholesale and retail, ₱12 per month; for selling retail only, ₱10.

In 1862 the alcohol monopoly was finally done away with, and two years later the trade and manufacture of all kinds of alcohol was declared free. From the above date, and with the sole purpose of protecting said industry, a tax of 4 cents per liter was imposed on all foreign alcohols, if common alcohol, and 8 cents per liter if compounded. Such alcohols as were imported from the Peninsula were admitted into the islands free of duty.

In this condition the year 1874 was reached, when comparative statistics show us the values of imported alcohols in three distinct periods, separated by decades, as follows:

From—	1854.	1864.	1874.
Spain.....	\$15, 719	\$42, 765	\$27, 679
Foreign.....	3, 210	42, 560	162, 031

The progress in foreign imports is clearly explained by the moderate duty imposed, and the facility with which it came from Singapore. The falling off observed in imports from Spain was chiefly due to the improvements obtained in the manufacture of Philippine alcohols, which competed to advantage with all kinds of imported alcohols.

With slight changes the alcohol trade was at this point when the present government encumbered it with the act known as the internal-revenue law.

APPENDIX E.

REPORT BY INTERNAL-REVENUE AGENT SHAW ON THE DISTILLATION OF SPIRITS FROM THE NIPA-PALM SAP AND FROM SUGAR, IN THE PROVINCE OF PAMPANGA.

The distilleries in the province of Pampanga are in a prosperous condition, there being a marked increase in the output and sale of spirits over that of last year.

Up to the 1st of June, 1905, there were 8 distilleries in operation. On May 31 the 2 distilleries owned by Ayala & Co., located at Macabebe, in the barrios of San Esteban and Consuelo, closed down, owing to the lack of nipa. They will both resume about August 15, at the opening of the nipa season. Of the 8 distilleries mentioned 4 distil from nipa and 4 from sugar.

I have received notice from the manager of the distillery of Señor Benito Legarda, located at Lubao, that operations will commence September 1, 1905. This distillery has been closed since early in 1904. Nipa will be used in distillation. The resumption of operations by this distillery will considerably increase the output of liquor in this province.

Of the distilleries mentioned but one has rectifying machinery. This distillery is located at Guagua and makes large shipments of spirits to Manila.

The balance of the distilleries produce low-grade spirits. In addition, four of these are licensed as compounders of liquors. The sales of liquors compounded by them are mostly confined to Pampanga and Tarlac provinces.

It is expected there will be a shortage in the nipa crop in this province this season, and it is thought by some manufacturers that considerable sugar will have to be used by them. This is not expected to affect the output of spirits to any appreciable extent, the large sugar crop of last season having considerably decreased the market price of sugar, making it very little dearer than nipa.

Proper storage tanks are now being installed in all the distilleries. These, when completed, will save a large quantity of spirits which have heretofore evaporated, owing to the manner in which they have been stored.

APPENDIX F.

REPORT OF INTERNAL-REVENUE AGENT MINOR ON THE DISTILLATION OF "VINO" FROM THE NIPA PALM IN THE PROVINCE OF PANGASINAN.

One of the most important industries of the province of Pangasinan is the manufacture and sale of nipa vino, a liquor distilled from the sap which flows from the stalk on which the bud of the nipa palm grows. In the towns which are included in the delta of the Agno River, the nipa palm is very abundant. It grows on the low, swampy land which is almost entirely useless for other purposes, and thrives best on ground which is daily inundated by the tide; in fact, salt water seems to be a necessity. One clump or stand of the nipa palm produces from one to three buds annually, and these buds mature in the months of August, September, and October. In some seasons there seems to be a sort of second growth, which matures three or four months later, but this does not amount to much. The stalk on which the bud grows reaches a height of about 3 feet, and the bud, which consists of a round cluster of seeds, is generally from 8 to 12 inches in diameter.

The native method of gathering the tuba, as the sap is called, is very crude. When the bud is fully matured it is cut off and over the end of the stalk is hung a bamboo joint which holds about a liter. Twice a day the tuba gatherers visit the tapped stalks and empty the bamboo joints into gourds, each time cutting a thin wafer-like slice off of the end of the stalk. This continues for about three months, or until the stalk gets so short that the bamboo joint will no longer hang upright. During this time one stalk will flow from 150 to 200 gauge liters of tuba. After gathering the tuba, it is taken to the stills and stored in tinajas (earthen jars), and when it has reached a certain stage of fermentation it is distilled. The tuba when fresh is quite sweet and is considered by some as a very pleasant drink.

In the province of Pangasinan at the present time there are 2 distilleries and 101 cañas, or native stills. One of the distilleries is located at Domalandan, a barrio of Lingayan, and the other at Dagupan. The one at Domalandan is practically a new plant, having gone into operation January 1, 1905, and has a daily capacity of 4,000 proof liters of spirits. This distillery is owned by an incorporated stock company, some of whose members formerly owned cañas. As work was not begun until the best part of the distilling season was past, a comparatively small amount of spirits

was distilled, only about 60,000 proof liters. The distillery in Dagupan is an old plant and of somewhat larger capacity, and also has a rectifier, although no rectifying has been done since January 1, 1905.

The caua or native still is a very primitive arrangement, consisting of a fireplace made of stone, mud, and bamboo cane. Setting on this fireplace is a large kettle or caldron which holds about 750 liters. Over this caldron is a hogshead without any heads, hung on a derrick-like arrangement by which it may be lifted and swung away to one side, and in the top of this hogshead sets another caldron. Running diagonally through it is a bamboo cane, one end being a little higher than the other. To operate the still a fire is first built; then the lower caldron is filled with tuba and the hogshead is swung around and dropped down over the caldron containing the tuba, being banked with mud, clay, and rags to make it air-tight; the upper caldron is filled with cold water, which is constantly changed. The steam arising from the tuba condenses against the upper caldron, runs down to the apex, and into the bamboo cane, which carries it to a receptacle outside, "vino de nipa." The capacity of one of these cauas for twenty-four hours is about 230 proof liters of spirits. Of the 101 in the province, 36 are located in Lingayan, 28 in Dagupan, 19 in Binmaley, 7 in Salasa, 6 in Mangaldan, 4 in Sual, and 1 in San Fabian. Each caua is owned and operated by one man; probably in less than half is the vino distilled owned by the same party, for in many cases all the holders of small patches of nipa in a neighborhood distill their tuba in the same caua, either paying so much for each distillation or, as is more often the case, giving the owner a part of the vino distilled.

During the fiscal year of 1904-5 there were distilled in the province approximately 1,300,000 proof liters of spirits, and less than one-third of this is still in the hands of the distillers. Last year there was an unusually large crop of nipa buds, consequently the amount of vino produced was far in excess of former years. The natives claim it to have been the best season for twelve years. This year the buds are not as plentiful nor as large, but with the continuous rains that are now falling it seems quite possible that by the time the distilling begins there will be enough to supply all the factories in operation, and with the addition of the distillery at Domalandan it is probable that as much or more spirits will be distilled this year as last.

The spirits distilled in the cauas is of very low proof, very little being over 50 per cent. It is consumed in its raw state, none of it being made into manufactured liquor. That distilled in the distilleries is reduced with water to about the same proof and then sold for consumption. A very small per cent is sold for industrial purposes.

The province of Unión furnishes the best market for Pangasinan vino, a large proportion being shipped to the town of Bauang, which seems to be the distributing point for that province. Quite a good deal is also sold in the province of Tarlac, especially the town of Camiling.

The price received is not as satisfactory as could be wished. Before the internal-revenue law went into effect vino was sold entirely by the ganta, a very indefinite measure made from a joint of bamboo and holding approximately 3 liters, although many of these old measures held nearly, if not quite, 4 liters. The price received varied according to the season and supply, sometimes being as high as 40 cents and at other times as low as 20. Taking 30 cents as an average price, and assuming that the vino was 50 per cent proof, it would mean that the manufacturer received 20 cents per proof liter for his product. At the present time vino is being sold for 30 cents per proof liter, leaving, after the tax is paid, a balance of 10 cents. There are a number of reasons why the price is not higher, principally, I think, because the supply is greater than the demand, and all the manufacturers are anxious to empty their storage tanks before the distilling season begins.

During the early part of the year the general price was much better, many large sales being made at 35 and 40 cents per proof liter. Another thing that has affected the market is that in former times a great deal of credit business was carried on. As the tax has to be paid prior to the removal of the spirits, it has forced the manufacturer to do a cash business, which I believe all are beginning to think is a good thing, and many of the dealers, especially from Unión Province, who formerly never paid for a shipment until it was sold, now have to pay cash, and consequently are doing a much smaller business. Still another thing which is affecting the vino market is the cheapness of the native drink, basi, which is now selling here for 3 cents a liter, and many, especially of the poorer classes, drink this instead of vino.

The future of the vino industry in this province looks promising. During the months of February and March, and at the time the factories were bonded, many of the manufacturers signified their intention of going out of business as soon as the stock of spirits on hand was disposed of; among this number was the owner of the distillery in Dagupan. In the latter part of June I talked with this distiller, and he told me that he had decided to continue as usual, and with one or two exceptions the

others have said the same thing. It is my opinion that there will be as many factories in operation in the coming year as in the past. Some time since there was considerable talk of a number of the owners of cauas in the barrio of Domalandan, Lingayén, combining and forming a company to construct and operate a modern distillery in that barrio, and in the barrio of Balococ there was talk of the same thing, but as yet no active steps have been taken. It seems to me this is the logical effect of the internal-revenue law; it will cause a few modern distilleries to take the place of the many primitive stills, thereby not only increasing the product, but the quality of the spirits manufactured, and I believe the industry will be more profitable to the owners of nipa palm land in the future than it has been in the past.

APPENDIX G.

REPORT BY INTERNAL-REVENUE AGENT BROWN ON THE DISTILLATION OF SPIRITS FROM THE NIPA PALM IN THE PROVINCE OF CAGAYÁN.

In the year 1602 the plains of the nipa district of the province of Cagayán were one great swamp. The vegetation then growing on these plains did not include the nipa plant. In that year some natives of Abulug journeyed to Pangasinán and brought back with them seeds of the nipa. These seeds were planted at Abulug and have multiplied to the nipales of the present day.

The fruit of the nipa about the time it is ripe is sweetish, soft, and nutritive, and is eaten by the natives, but the quantity thus consumed is insignificant, and so the nipales are continually multiplying. When the fruit is cut from the stalk it is left where it falls, to take root or be carried away by floods or tides. In every nipa shoots are seen in all directions, and seeds that have been carried away may be seen in the form of young healthy nipa plants perhaps standing alone on some small islet in the river.

From Abulug seeds have been taken to all parts of the provinces of Cagayán and Isabela, there to be tried on the banks of the Río Grande at all points, or to be tried in the swamps in the interior, but it seems the nipa will not grow or thrive unless planted near the sea. Outside of the nipa district at the barrio of Buguey the nipa has also found its way, and there it grows strong and healthy and in abundance, but unfortunately the owners are not able to profit from the tuba which may be taken from the fruit stalk, this owing to the lowness of the land. The tide flows through these nipales and rises high enough to destroy the tuba collected in the bamboo tubes or "canutos." The distillery opened there in April has been temporarily closed on this account.

Of the early mode of distilling spirits in the nipales little information has been obtained. Earthen jars were used and a small quantity of vino manufactured, but this was wholly for the use of the owner, no attempt being made to produce quantities large enough to make the vino a paying article of commerce in the province.

In the months of May, June, and July the flower of the nipa plant appears, and in October the stalk bears fruit, which may be cut and the sap or tuba collected. If this fruit is not cut in the month of October it will be found still fresh and the stalk in the same condition as late as July of the following year. The tuba, which is now being distilled and which has been distilled since March last when the first factory was opened under the internal-revenue law, is from last year's fruit. But July is the limit, and if the fruit is not cut it falls to the ground. The owner of a factory which was opened in the end of the month of June has stated that it is only by increased efforts on the part of his workmen that he is able to continue. A sample of last year's fruit was sent to Manila and also some samples of this year's crop. It is noted that the seeds of the sample of the old fruit are falling from the cluster.

Before the cutting from the stalk of the fruit of the nipa for the purpose of collecting the sap or tuba, the preliminary work in the nipales is of some importance and requires good men. All of the nipa must be gone over, the underbrush cut down, and each plant cleaned of withered branches. This work generally takes three or more men a period of five weeks, and when all is completed every stalk bearing fruit must be given a gentle pressure with the ball of the foot, the operation being repeated once or twice before cutting. It is claimed that if this is not done, and not done with great care, the stalks will not bleed. In the preliminary work should be included the collection of fuel. This takes perhaps a month or more on the shores of the sea and in the mountains.

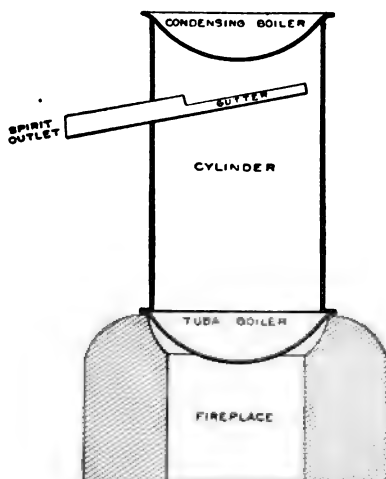
The number of stalks to be cut depends upon the number of workmen employed. An ordinary good workman is able to attend to 700 or as many as 1,000 plants, but in many nipales the men are now attending to no more than 300 or 400. The cutting is

done with a thin sharp knife and the stalk left a distance of about 3 feet from the ground. To these stalks, which have acquired a drooping bend from the pressure caused by the weight of the fruit borne by them, are attached canutos (bamboo receptacles) in length about 2 feet and in diameter about 3 inches. In these canutos there is pierced or cut a hole large enough to admit the stalk, but without allowing of play. The end of the cut stalk is entered into the canuto, and without further fastening the canuto is left to receive the sap which oozes or drips into it, the stalk being strong enough to bear the weight thus attached to its free end.

For the first two days the tuba collected is very sweet, and if properly filtered is a very agreeable and pleasant drink. It is not used for distilling and is generally boiled down and a good sugar obtained. This sugar is also pleasant in taste and answers well for sweetening coffee. From the third to the eighth day the quantity collected is very small, but after the eighth day the flow increases from day to day. From the stalk of one plant sap is taken for a period of from five to seven weeks, toward the end of the period there being a gradual decrease in the yield.

The collection of tuba in the nipales is done in the early morning and in the afternoon, the men carrying a small vessel of 18 gauge liters capacity which is filled from the canutos and carried to larger tinajas distributed in convenient points in the nival, generally near by the bank of the estero. Before replacing the canutos a thin slice of from one-sixteenth to three-sixteenths of an inch is cut from the stalk in order to keep it bleeding in exactly the same manner as done by gatherers of tuba from the coconut tree. Having collected his tuba the workman takes the load to the factory by banquilla, and there his work generally ends. The work of the men who attend to the nipales is hard, but all of them look strong and healthy and have developed fine chests and shoulders. Thus the work is carried on in the nipales until all the tuba has been taken from the different sections.

From the early mode of manufacturing distilled spirits with earthen jars, the distiller of Cagayán has advanced to the caua, the apparatus now in use. This is a very imperfect machine and the manufacturers themselves admit this, but it is not believed that in Cagayán any modern machinery will be installed. With the caua a low-grade alcohol of a not unpleasant flavor is produced, and this has won great favor with the natives of the province. All the Cagayán vino is sold in the province and the distillers are simply supplying a need or want. The article produced by the properly equipped still could not be sold in Cagayán for use as a beverage. The cost of a proper plant is entirely beyond the manufacturers individually, and although they have been talked to by the undersigned on the great waste occasioned by their crude method of distillation and shown the advantages of amalgamating and putting up one or two modern distilleries, there is little likelihood of anything being done. There is no unity, each little manufacturer preferring to be independent entirely of his neighbor. The following rough sketch will give an idea of the caua:



A furnace, circular in form, and built of stones and mud, with an open door for stoking, and generally without any built smoke outlet, and tapering at the top, receives an open iron boiler as shown above. The furnace is generally ample enough, and it does not appear that there is a great loss of heat. A cylinder or distilling

chamber, open at both ends, in diameter equal to the boiler seated on top of the furnace, rests upon the said boiler. These cylinders are made from solid wood, with walls about 1 inch thick, and are heavy and cumbersome. There are no nails used on them, the arrangement for lifting them clear of the boiler for the purpose of emptying or filling the boiler being a lug or projection—part of the cylinder itself—and a bejuco line, which is fastened to the adjacent crossbeam of the shed covering the plant. On the top open end of the cylinder is placed another iron boiler, which is filled with cold water taken from a well, dug at the side of the plant, by means of a very long-handled ladle. Within the cylinder a piece of bamboo in the form of a gutter, and leading out through the cylinder wall, receives the spirit as it falls, after having been condensed by striking the cool surface of the iron boiler containing the cold water placed on the top end. The operation is simple. A heavy fire being applied to the boiler containing the tuba, this is carried up in the gaseous form, strikes the cool surface of the condensing boiler, and falls into the bamboo gutter, and led outside the cylinder to the receiving vessel, a small tinaja, generally of 18 or 20 liters capacity.

The capacity of the tuba boiler used by the distillers of Cagayán is on the average 185 gauge liters, and from this an average of 18 gauge liters of spirits are taken, the boiling taking generally a period of two hours, according to the fuel. More than 20 gauge liters are seldom taken from one boiling, as the grade of the spirit falls at this point to almost zero. I have tasted the liquid at this stage and found it to be nothing but hot water.

The article produced is a low-grade spirit, running generally from 25 to 31 Gay Lussac. A higher grade is not required, as the consumers do not appreciate anything much above 14 Cartier, and have stated so at different times.

Of the condition of the distilling industry before the enactment of the internal-revenue law very little information has been obtained as yet. In those times there was no restriction, and the local authorities did not oblige the manufacturers to report in any way the operations of their factories.

The following figures are made up from a statement signed by the late municipal treasurer of Abulug, and from other statements signed by the distillers in August, 1904: Average output of each factory per month in 1903, 640 gauge liters; in 1904, 1,056 gauge liters. The statements referred to cover the operations of various factories for periods of one to six months. I am of the opinion that these figures are worthless and should be dismissed. Before the passage of the internal-revenue law the manufacturers of distilled spirits in Cagayán kept no records of the operations of their distilleries. A notch on the arigue with a bolo or a "1," with a piece of charred wood on the beams of the shed for every tinaja of spirits distilled, was all the book-keeping done. The Cagayán distillers are men of very bad memories, so I have found, and in figures are afraid to make statements even if given a margin of from 5 to 50. This is well borne out in the declarations made under oath by the manufacturers now operating. Before the withdrawal of the military from Cagayán business was good all over the province, and it was very common for a dealer to buy tinajas of vino at Abulug by the hundred. It is believed that the average output per month of each factory could not have been much short of 3,000 gauge liters.

The state of the industry about the end of February, when the undersigned arrived, was nearly as low as it could be. Two factories were dragging along in the Pamplona district, and as soon as the owners learned of my arrival they waited upon me and tremblingly reported that they had been distilling spirits since the beginning of the year and showed properly kept simple records. They were immediately dismissed and told to return to their factories and distill spirits day and night if they wished, and were also requested to notify their neighbors at Pamplona to get ready to open up their establishments as the bureau of internal revenue had sent a representative to help them, to explain the law to them, and to put their industry on a footing it never before had been.

In Abulug conditions were bad. Not a still was being operated and but few people were living at the factories. The cause of this state of affairs in the opinion of the undersigned was an excess of zeal on the part of the provincial officials in introducing the new law. The industry of Abulug is not of great importance to the province of Cagayán or to the central government when compared to those of the provinces of Bulacán, Pampanga, and Pangasinán, but to the inhabitants of the nipa district it is. The custom of the manufacturers before the passage of the internal-revenue law was to give two-thirds of the spirits distilled to the workmen and keep the remainder as their shares, the workmen being free to dispose of their earnings as they saw fit. In those days the jars of vino in the factories were nearly always to be found in lots, one lot of this workman here, another lot of that workman there, and this lot in the corner the owner's, who generally lived in the town. In August

of 1904 the provincial officials proceeded to list all vino as being subject to tax and no excuse or explanation was accepted from any man. Everything was listed and later embargoed, as the payment of the tax demanded was refused by all without exception. This gave rise to very hard feeling. Workmen who had borrowed money from wealthier members of society in Abulug and had promised to pay vino in return suddenly found themselves crushed out of existence—minus the vino which they had earned with the sweat of their brows, and out of employment, for they believed that the government had enacted a monstrous law which compelled the payment of 20 cents on every gauge liter of spirits manufactured by them and consequently putting their product beyond the reach of the pockets of all the consumers. Had the situation in 1904 been handled with patience, and with consideration for the manufacturer, there would have been different results. Indirectly the hitch which occurred has kept a considerable amount of revenue out of the treasury and has proved an obstacle and greatly retarded the internal-revenue agent.

Not until the undersigned arrived on the ground was the situation fully understood. No time was lost in calling the manufacturers and all interested to a meeting in the municipal building to hear the internal-revenue law explained and how it affected the industry of the town. The success of that meeting has been reported to your office. The first work in cleaning up the embargoed spirits did not appear to be difficult, but the enforcement of prompt payment of the taxes was difficult. The owners of the detained spirits were without capital and in the hands of the dealers, or *trahicantes*, entirely. If one dealer rejected vino offered for sale the owner was obliged to wait until another buyer came to town. The settlement of this question was in consequence delayed and much valuable time taken from me.

Before the work of installing the permanent system among the manufacturers of the nipa district was begun, things looked very promising and it was believed at one time that every still would be opened up as soon as the work could be attended to. But the enthusiasm of the manufacturers greatly subsided and later they became indifferent. Some stated, when asked when they intended to get ready to open up, that they had had enough of vino distillation and intended henceforth to devote their energies to the cultivation of rice. At Abulug there is a big stretch of rice land which is not cultivated. The trouble at this time seems to have been in making terms with the workmen. In the past the workmen received a share of the spirits manufactured in place of wages, but as under the requirements of the internal-revenue law this was no longer practicable, they refused to believe that they were not the losers. Now, these men are beginning to see that the new arrangement does not work against them in the least and have gone to work.

In the opening of the factories under the new system the provisions of law have been carefully observed and there has been but one deviation from the regulations, that in the marking of serial numbers on packages. In all of the small factories of the district the package—a *tinaja*, varying in size—is a permanent fixture of the distillery. The buyers of spirits always bring with them their own jars or *tinajas*, so that in place of numbering a vessel and renumbering it after the contents had been sold all manufacturers have been required to give every jar on their premises intended to be used for the storage of distilled spirits a number beginning with (1), and to mark the capacity on each package in gauge liters. In the district there is only one well-equipped distillery at which every requirement of the law is observed. The following are the requirements observed by the small manufacturers: The construction at the factory of a strong storeroom with door, lock, and key; the numbering of every jar or vessel used for the storage of spirits; the marking of the capacity in gauge liters on each package used for storage; the placing of a sign at the entrance of the factory, showing the name of the owner, paragraph, schedule, and assessment numbers; entering in the official register book in the column for serial numbers of packages, the grade and temperature of spirits distilled each day; entering on official invoices and stubs the grade and temperature of spirits sold.

The present state of the industry is fairly satisfactory. Forty-six factories have been opened up, and 44 of them are still running and running smoothly. Two have ceased operations temporarily through want of tuba. One general inspection has been made and all registers were found in fairly good condition, and some of them are being kept with great neatness. The movement in Cagayán spirits distilled during the past few months has been slow, business in general in the province depending almost entirely on the tobacco crops. The buying of tobacco is now beginning and there will be a decided increase in the revenues from Cagayán during September, October, and November. At the last general inspection referred to, and which was made during the present month, it was noted that many factories have not yet made

a sale, and it is known to me that no effort is being made until business improves with the buying and selling of tobacco.

The outlet for the distilled spirits manufactured in the district is confined wholly to the province of Cagayán. In the district itself a small quantity is sold to the retailers, but three-fourths of the total output finds its way to the Río Grande and is taken up the province to every barrio and rancho as far as Tuguegarao. Beyond the capital there is little sale for the drink, as the natives and residents of Isabela, who are in greater part Ilocanos, prefer anisado.

The future of the industry is, in the opinion of the undersigned, bright. According to the records of the provincial treasurer of Cagayán there are at Abulug and Pamplona 100 factories, and adding to this number 7 at Linao and 1 at Sánchez Mira we have a total of 108. It is confidently hoped and expected that there will be 100 of these in operation before the end of the present year. In October in all of the nipaales the new fruit will be ready for cutting, and now that an agent is devoting his entire attention to the district this figure should be reached. At the factories now in operation there is being distilled on the average in one month a quantity of 1,000 proof liters; this multiplied by 44, the number of factories running at the present time, gives 44,000 proof liters per month for the district, or at the rate of about 500,000 proof liters per year. With 100 factories in operation there would be distilled in a year 1,200,000 proof liters, but taking six months as the average period during which the cauas are likely to be operated, we have as the probable output for the nipa district for a year about 600,000 proof liters, representing revenue of ₱120,000.

The nipa district of the province of Cagayán extends from the barrio of Linao, a point at the mouth of the Río Grande on the opposite side to the town of Aparri, to the town of Clavería on the boundary between Cagayán and Ilocos Norte. At Linao the nipaales are divided up by the Linao River, which winds and doubles itself to a distance that takes three or four days to cover, finally emptying into the sea at Linao. Between the eastern boundary of the Linao nipaales and Abulug the country is one unbroken plain, which is used for the cultivation of rice. By road the distance between Linao and Abulug is 18 miles. The town of Abulug is built on the west bank of the Abulug River, and in from the sea a distance of a mile or two. At the town, and between it and the sea, the ground is sandy and much higher than the river and there are therefore no nipaales at the town. But on the east side of the river the land is low, and there begins the nipa and extends in great patches or islands to the town of Pamplona, a distance of 9 miles or more. Before entering the sea some 3 miles or more from Abulug, the river is joined by 3 esteros, the lowest of the three some 500 or 600 yards from the bar. This estero leads in a winding course to the Pamplona River, which also empties into the sea at a distance of three 3 miles from the town. At Pamplona, as at Abulug, there are no nipaales, although the land is low lying and the soil is a heavy rich clay. Toward the mouth of the river the east side is low and flat and esteros join the river as at Abulug, one of these lower esteros being the highway to the town of Sánchez Mira, a distance of from four to six hours by barangay. The belt of nipaales on the east side of the Pamplona River is less extensive than that of Abulug, and does not continue to Sánchez Mira, although the land is undoubtedly suitable for the growth of nipa. Between the east extreme of the Pamplona nipaales and Sánchez Mira there is a wide stretch of plain on which is cultivated the well-known "Sanchez" rice. The nipaales of Sánchez Mira are located 6 or 7 miles from the town, at the barrio of Nammuag. These nipaales are to all appearances the same as at Abulug, Linao, or Pamplona, but are claimed to be unproductive. No more than two stills ever have been worked there. Outside of Nammuag there are fine healthy-looking patches of nipa, but it is also stated that these are not productive and are never worked. The town of Clavería is some three hours journey on foot from the barrio of Nammuag, but the ground is dry and sandy and unwatered, and there is no nipa. At Clavería there is a patch of nipa from which sufficient tuba to run a caua has been taken in past years, but it is not now being worked. From Linao to Clavería the whole stretch of seacoast, and in for about a mile, is dry and sandy and no nipa is grown.

In the nipa district the communications are principally by water. The Linao nipaales are entered from all sides by water, the main channel being the Linao River, which is about as wide as the river Pasig a mile or two up from Manila. An estero runs out from the nipaales on the east side and is navigable to a point called Amuaban, a distance of 8 or 9 miles from Abulug. This estero extends beyond Amuaban to Abulug, and in the rainy season canoes are navigated on it. This is the canal which the provincial government of Cagayán has the intention of dredging and keeping open. In this stretch it is narrow, but runs between perpendicular banks and has a bottom of loose mud. If two dredgers or steam navies were erected on this canal, one at the Abulug end and the other at some distance from the point Amuaban and

dredging commenced, I believe that in but a few months the whole distance could be covered. The banks are not high and there is no stone or rock to retard the dredging. A jib of the size on the dredgers in use on the Binondo Canal, Manila, in the beginning of the present year, is long enough to easily dump on either bank the mud scooped up from the bottom by the dredger. The great importance of opening this waterway was fully appreciated by the Spaniards and the work was actually begun by them. If this stretch were opened up the towns of Sánchez Mira, Pamplona, Abulug, and the barrio of Santa Cruz would be in direct communication with Aparri. This would be a very decided advantage to the distilling industry. Excepting that part of the estero between Linao and Abulug, all of the rivers and principal esterios in the nipa district of Cagayán are navigable for vessels of 12-inch draft, and are at their widest places not greater than the river Pasig a few miles above Manila, and at their narrowest places similar to that part of the Binondo Canal, Manila, which runs at the back of Calle Santo Cristo.

Between Sánchez Mira and Linao there is practically one road only, that from Abulug to Linao, a distance of about 18 miles. All the merchandise to or from the towns of Sánchez Mira, Pamplona, and Abulug and the Río Grande is carried over it in native carts drawn by carabaos. This is a great difficulty with which the distillers of Abulug and Pamplona must contend, and they complain of it as their one obstacle. The journey is slow and expensive and in the carts used no more than three tinajas of vino can be carried at one time, at a cost of ₱2.50 for the single journey.

APPENDIX H.

REPORT OF INTERNAL-REVENUE AGENT DALRYMPLE ON USE OF RICE AND SUGAR IN DISTILLATION OF SPIRITS IN THE PROVINCE OF TÁRLAC.

There are two factories for distilling spirits in operation in Tárlac Province, one located in the town of Tárlac and the other in the town of Pura (Gerona), both of which distill spirits from rice and crude syrup from cane sugar.

In a tank of 13,000 liters of "basi" there are required from 40 to 50 gantas of cooked rice, usually of ordinary grade, and 250 gallons of syrup. This amount of syrup delivered at the factory costs from ₱14 to ₱18, the major part of which is purchased in Pampanga Province.

The combined amount of rice and sugar used in the two factories during the year 1905 will not exceed 6,000 gantas of rice and 52,000 gallons of syrup, at a probable cost of ₱1,080 for the rice and ₱3,328 for the syrup. A tank with a capacity of 13,000 liters of "basi" in a state of fermentation will produce from 430 to 480 gauge liters of alcohol varying in grade according to the grade of "basi" and the method of distillation.

One of the factories makes and distills on an average of about three tanks per week, averaging from 10,000 to 13,000 liters of "basi" each, which means 1,365 gauge liters of alcohol, more or less. The estimated output of this factory for 1905 would therefore be 70,980 gauge liters; 4,000 gantas of rice and 34,666 gallons of syrup would be consumed in distilling that amount of crude or rectified alcohol. The amount of sugar used in making anisado is almost too small to be computed, as it would not require 250 pounds of sugar in making anisado of the total amount of 70,980 liters. The above estimates refer to a grade of alcohol which is proof or upward.

Estimated cost of rice and sugar in producing the total amount distilled in Tárlac Province during 1905, 106,470 gauge liters of proof spirits.

6,000 gantas of ordinary rice, at 18 cents	₱1,080
52,000 gallons of syrup, at 6.4 cents.....	3,328
Total	4,408

MANNER OF DISTILLATION.

The rice is boiled in a large kettle for one hour, prepared very much the same as for table use. It is then thoroughly mixed with yeast, covered tightly, and left to sweat for one hour and a half, after which it is mixed with syrup and water in the following proportions: Twenty-five per cent cooked rice and yeast, 25 per cent syrup, and 50 per cent water, and left in that state for twenty-four hours; then placed in

a large tank, where syrup and water are added in the following proportions: One part yeast mixture (rice, sugar, and yeast), 1 part syrup, 11 parts water.

The period of fermentation varies according to heat and climatic conditions, in some cases four or five days being sufficient, and in other cases as much as eight or ten days are required before the "basi" is ready for distillation.

The tanks are then emptied into a small underground vat by means of a trough. It is then drawn up by buckets into an elevated cistern and conducted by means of bamboo or iron pipes into an upright cylinder over a condenser which is connected by pipes both ways with another large upright boiler immediately over the furnace.

There are two advantages in the passing of the cold "basi" through the upright cylinder over the condenser—namely, it assists in cooling and condensing the vapor and also absorbs a certain amount of heat before reaching the boiler, as it is highly important that a constant heat shall be maintained in the boiler to produce a uniform and high grade of alcohol. The vapor from the "basi" in the boiler passes through a worm pipe both in the upright cylinder and in the condenser, which is constantly supplied with cold water surrounding the worm.

Where the heat in the boiler and the supply of cool water in the condenser are constant, proof spirits or a little above proof will be had, but to attain a higher grade of alcohol—say, 98 Gay-Lussac—it is necessary to repeat the process of distillation.

Sugar will produce a higher grade alcohol than syrup, but, being more expensive, syrup is used instead.

APPENDIX I.

REPORT OF INTERNAL-REVENUE AGENT STEWART ON DISTILLATION OF SPIRITS FROM SUGAR AND MANUFACTURE OF "BASI" FROM SUGAR-CANE JUICE IN THE PROVINCE OF ILOCOS SUR.

DISTILLATION OF SPIRITS FROM SUGAR.

The sugar in its raw state is first placed in large vats filled with water and allowed to dissolve until a state of decomposition is reached. When the liquefaction is completed, sulphuric acid to the amount of 1 per cent at 66° Baumé is added to the liquid. The vats are then emptied into caldrons and undergo a slow process of ebullition at a temperature of 100° C. for about half an hour, at the termination of which period the liquid is drawn off into the cooling tanks, where the same is allowed to remain for about two days, or until the abatement of heat is thoroughly accomplished. Yeast, made of rice or corn specially prepared, is then mixed with water and applied at a temperature of 6° Baumé. The addition of yeast to the saccharine liquid is necessary to produce spontaneous fermentation. The liquid now being in a state of incipient fermentation or wort, at this temperature requires about six hours for the mash. In this condition it remains until it registers 3° Baumé, when it is immediately elevated by means of pumps to the distribution vats for apportionment to the fermentation tanks, where it remains a few days more, according to the atmospheric conditions, until the density of the liquid ceases to lessen, registering 0° on the areometer Baumé, in which condition the liquid or mosto is ready for distillation.

The distilling process in this district is of two kinds, one being called intermittent and the other continuous working. The latter apparatus has simultaneous rectification, whereby it is possible to obtain from the commencement a continuous flow of spirits of about 90° proof. Both classes of stills consist of wash warmer, rectifying, and dephlegmator apparatus. The mosto enters the still and is met by steam of a density of 50 kilos. The alcoholic vapor being the lightest of the dilute solution is the first ingredient to evaporate, and rising with the watery vapor is chilled by contact with the metal diaphragms of the dephlegmator. This causes the separation of the vapors; the watery portion condensing more readily, flows back, while the alcoholic vapors pass on through the pipes to the condenser, condensing into the liquid form at a temperature of 40° C. The spirit now goes through pipes to a vessel through which cool water is kept continuously flowing. In the center is a cup into which the spirits enter at a temperature of about 36° C. The cool water having the effect of making higher proof spirits rise and pass out into a vat for consumption, while the lower grade or still impure spirits, called "faints," not having proved sufficiently distilled, flow back through a pipe to the still for further sublimation.

The intermittent process is used for manufacturing on a small scale and is simple in its form. The wort is prepared in about the same manner as before described and

enters the still with worm condenser heated by direct firing. When the heat is applied at the still the spirit begins to rise in vapor along with more or less steam. These vapors pass through the worm, become condensed by the cold, and drop or trickle down into the receiver. The product of the first distillation is a weak and impure liquid and has to go through the same process at least two or three times before any high-proof spirits are manufactured.

THE METHOD OF PRODUCTION OF "BASI."

The sugar cane is taken and placed in a sugar mill or trapiche, which consists of a circular press, operated generally by a carabao or bull, and the juice extracted by this process. The juice, as so extracted, will register about 10° or 11° Baumé. It is then placed in a caldron and boiled over a direct fire until it reaches about 16° Baumé or equal to about 1.125° of density, when it is drawn out into large earthen jars called "tinajas," where it remains until cooled. A certain amount, according to the taste of the maker, of macerated bark of trees known as "sumac" and "carisquis" are then compounded with the liquid on account of considerable properties of tannin which they contain. Under the high temperature of this country fermentation rapidly sets in, during which period the liquid is mixed several times and more macerated bark added, as the maker thinks necessary. The liquid is then buried in the ground, and after about six months of reposition therein is considered as being desirable for consumption. The taste improves with age, the older the liquid the better the price obtained. During the period interred a change in color is noticeable from a wine color when first buried to a shade of white at about three years.

APPENDIX J.

REPORT OF INTERNAL-REVENUE AGENT ROBERTS ON THE DISTILLATION OF "VINO DE COCO" FROM THE BUD OF THE COCOANUT PALM IN THE PROVINCES OF ALBAY AND AMBOS CAMARINES.

The cocoanut tree, from the fermented sap of whose bud the "vino de coco" is distilled, is found in all parts of the Philippine Islands, but its use in the making of spirits is limited to a small part of the whole. This report deals with the provinces of Albay and Ambos Camarines. There are four or five products of the cocoanut palm that have some economic importance. The trunk and the leaves, used in building, and the meat of the fruit, used as a food, while all of considerable importance, are not of measurable commercial value. Nor is the fibrous husk of the fruit of the coco of any importance here, as it is put to no use in these islands. The meat of the cocoanut and the sap from its bud are of great value, and the price of the products of one must have great influence on the price of the other.

The meat in its dried form, called "coprax," is an important article of export, and the extraction of the oil for use in lighting and in the making of soap is an important industry in the Philippine Islands. The use of the sap which exudes when the bud is cut off is entirely local. It is fermented, and in this form is a cooling drink that is much relished. Most of the fermented "tuba," as the sap is called, is distilled, and the product is sold under the name of "vino de coco," cocoanut wine. This liquor and the coprax are the only products of the cocoanut which are of any economic importance in the Philippine Islands.

Where there is sufficient market for the consumption of the vino its production seems to be more profitable than that of oil or coprax, but the difference does not appear to be large, and would probably be in favor of the coprax if it were not for the crude method of handling. The vino de coco does not appear to be an article which has a greater natural demand than its competitors as a beverage, anisado and gin. It is the common opinion that, where its use as a beverage is established, the vino de coco is preferred even at an advanced price over anisado or gin. The other drinks have the advantage wherever there is easy water communication with Manila, as it is usually to the advantage of the merchants and carriers to encourage the use of the article which can be most easily obtained and which helps to fill boats which would be running light.

When it is desired to obtain the "tuba," or sap, of the cocoanut palm on a considerable scale, as when it is used in distilling, the trees are parceled out among men, 25 to 50 trees to a man. These men, who are called maninguetes, gather the tuba on shares. There may be from 2 to 20 of them to a still. The owner of the still may or may not be the owner of the trees. More often than not he merely rents them,

but he frequently has no interest in the trees at all, except that he gets half the vino that is distilled in his place. Where trees are rented for a cash rental, I am unable to say (except in one case where 80 pesos a year was paid for each 200 trees) what is paid.

The maniguete places bamboos from tree top to tree top. One set is placed about 4 feet above the other, so that the man can walk on the lower and support himself on the upper set. The buds are then cut off of their stems, or, at any rate, so many of them as it is desired to tap. It is not at all uncommon for both tuba and coprax to be produced from the same tree at the same time. Under the stems of the buds that have been cut are hung pieces of bamboo holding about half a liter to catch the sap as it falls from the stem. Night and morning the man goes up one of the trees with a big bamboo slung over his shoulder of a capacity of 6 or 7 liters. He empties the tuba from the small bamboo, where it has been gathering for twelve hours, into the bamboo on his shoulder and goes on to the next small bamboo until the big bamboo is full. The full bamboo is then lowered to the ground by a cord, where it is removed by a helper and an empty one attached. The full bamboos are emptied into jars holding about 50 liters each. The maniguete goes about from tree to tree until all the tuba is collected and does not come to the ground until he has finished, unless the trees are so scattered as to make it impossible to pass from one to another without so doing. After the tuba is all collected the jars are hauled on sleds, or carretones, to the hut of the gatherer or sometimes direct to the still itself, where they are left for fermentation. There does not appear to be any fixed or regular period of fermentation. Apparently whenever they have enough tuba to charge the still they go to distilling, provided there has been two or three days of fermentation. The average period of fermentation is about five or six days. There is a big variation in the grade of the tuba, even aside from the fact that they do not observe any fixed period of fermentation. The dry and wet seasons affect the strength of the tuba greatly, and extreme drouth may cause the flow of sap to cease altogether. This came very near being the case in the recent dry season. It is said to take about 9 volumes of tuba to produce 1 of vino; but, as the vino may vary from 50 to 85 proof, this is not very definite. It would appear that on the average it takes about 15 liters of fermented tuba to make a proof liter of vino.

Ordinarily tuba is not carried very far either before or after fermentation. Usually the limit is less than a mile, but they do in a few places carry the tuba as far as 3 or 4 miles to the still. It is carried, sometimes in big jars and sometimes in barrels, to its destination on sleds or carretones drawn by carabao. Carriage of tuba by water does not appear to be practiced in any vino de coco district. Few of the streams on which the stills are situated are big enough to admit of the passage of a loaded canoe, and even where a big enough stream exists the trees are usually on the same side as the still. While the waterway may serve for the removal of vino it is useless for the handling of tuba.

The still used in the making of vino de coco is the ordinary crude still of the Philippines made of a wooden cylinder and two saucer-shaped iron pans called *cauas*. In the more common form the upper *caua* and the cylinder are removed together, and the charge of the still is the capacity of the lower *caua*. The form of still which is used in Albay and Ambos Camarines has the lower *caua* fastened to the cylinder, and the charge may fill half the cylinder as well as the lower *caua*. The stills of Albay Province are usually so situated that the water necessary for condensing is led by gravity through bamboo ducts to the top of the still where it empties into the *caua*. It flows out of the other side of the *caua* through a bamboo syphon. In many of these stills the flow of water is so good that the water is not warm when it leaves the *caua*. In the Camarines the stills usually have a worm condenser. It is pretty hard to say anything about the capacity of these stills, as under the conditions the output varies considerably from causes difficult to see. None of the stills have, however, a capacity of less than 100, and none have a capacity of more than 400 proof liters in a day of twenty-four hours. The average is probably less than 200. The stills are never run all day, and seldom more than five or six hours at a time. They will hardly average a run a week. There are, however, a few that run almost constantly; that is, a few hours every day. The maniguete usually distills his own tuba, and he is held responsible for the loss of tuba through carelessness or bad management.

The vino is a low-grade spirit of a slightly milky tint and runs from 40 to 85 proof. Both extremes are very rare. The common vino runs about 60 or a little over. Its flavor is said to be characteristic of the place from which it comes, and drinkers can tell by the taste where the article they are drinking came from. There seems to be some connection between the grade of the spirit and the appreciation of its flavor,

but it is not altogether a high proof that is desired by the drinkers. Metal stills appear to have been a complete failure. The people complained that the flavor was not good and that they could taste the copper. The distillers of certain districts are regarded as more skilled than others. The vino from these places is more in demand than other vino of the same grade. It is impossible to say how much there is in these notions other than mere prejudice.

The method of sale of the vino has been changed altogether under the necessity of paying the tax at the time of the sale. Formerly in the cocoa, as in the nipa districts, practically all sales of any size were made on credit to people who were able to pay only when they had sold, having no capital at all. Some of the stills were in the habit of selling to a great extent at retail, and even by the glass. This practice has about ceased, as they can not now do so on the factory premises and the business does not often warrant the payment of additional help. The selling was done formerly by the men who were distilling and required no expense at all. At the present time sales are made almost altogether on a cash basis, at any rate so far as the amount of the tax is concerned.

Some of the stills can sell where they are and some can not. Of course they all sell to their immediate neighbors. In the case of those stills that are among the abaca these local sales are an important item. At the present time it is necessary that the removal and sale be made by one who has a wholesale liquor-dealers license. As a result the distribution of the vino is passing from the hands of the distillers to those of outsiders who may, however, be mere employees of the distiller or of a group of distillers. There are developing two class of stills. One of these is so situated that it can sell direct to the consumer or to the small dealer, and the other which sells through peddlers who go to some big town market to sell, or else travel from place to place doing so. These peddlers sell uniformly at wholesale. No retail sales are made by them except possibly to some one with whom they are stopping. This licensed peddling is a new thing. Formerly the vino was peddled by the distillers or by the maninguetes or whoever happened to have it. Usually they did not have capital more than enough to carry them from place to place, and much of the carriage was done on credit. It has been hard for them to change this system. It is almost necessary for the different interests to keep their vino together until sold on account of the license requirements. They have difficulty in agreeing on a man in whom they have sufficient confidence to trust their property for sale.

The keeping of the account has been a great difficulty, as many live and have their stills in barrios that are so distant that it has been in some cases impossible for them to obtain men who could do the necessary writing. Under the old conditions they made their sales at the still itself, and never saw the town for weeks at a time. These barrios had no one in them who could write, and the distance from the towns made it impossible for them to go and come every time they wanted to make a sale. As a result many have gone out of business.

The necessity of keeping stock and records at the still has seemed to others an insuperable obstacle, and they have discontinued or are doing so as fast as their stock is exhausted. The difficulty is that of obtaining a suitable man to put in charge. The owner of the still is, in these cases, a man who lives in the town and who has no one at the still except some laborers. When a sale is made the owner himself makes it, usually at the house, and then goes himself to make delivery. He is also at the still when they are cooking, as a general rule. In the meantime the stock of the still is locked up and there is no one present who can show the books and afford access to the stock for the inspecting officer. It is sometimes necessary for visits to be made two and three times in order to find out the conditions at the still. This is true where sales are made every day and practically no stock is being kept on hand. It does not answer to inspect the stock of the neighboring stores to check the business of the still, as a large part of the sale is to consumers who are not readily accessible. There are a good many stills, any one of which would require the entire time of a man to inspect the sales in the hands of purchasers who may live in places requiring miles of travel to visit them and where they can not be visited in connection with any other place. It has been necessary to attempt to compel compliance with the requirement that the books, stock, and stamps be kept on the still premises, and this has forced a good many men out of business. Then the newness of the system of accounting and a blind fear of punishment for some ignorant act has caused men to go out of business where there was no good reason at all. These different causes have caused more trouble in the coco districts than in those that work with nipa, as a larger proportion of the "vino de coco" distillers are men of small capital. The market in their case has been so near and so uniform that the necessity of holding stock for months at a time did not exist.

In addition to the above causes for discontinuance, all of which were operative in the case of nipa distillers, is the apparent fact that they can change from the manufacture of vino to the making of coprax, and do so without serious loss. In fact it appears that the only loss is the period of from two to four months required for the buds to come out and the fruit to mature.

There have been a great many cases of discontinuance, but most of these stills have since been opened by some one else, or will be. There are some, however, that can not be run under the law on account of the unfavorable situation. Usually when a still is thus reopened the man who is in charge is better situated for compliance with the law and better capable of doing so himself than the man whose place he takes. The new distiller is frequently the owner of property injured by the closing of the still. The people are not in all places accustomed to the production of coprax. On the whole, while there is no doubt that the changing in ownership injures the output, it is getting the business into the hands of people who, if not more responsible, are more able to carry on a business. There is no doubt that the tax has been paid heretofore on an amount of vino much short of the normal output. In addition to the things above mentioned as affecting the tax there are two important items to be considered—evasion and a poor market.

It is of course impossible to say how much the evasion of the tax has amounted to, but up to a very recent period it was a very large item. The new tax law was not understood and the distillers did not have the technical knowledge necessary for them to know how much they should add to cover the tax. They did not have either alcohol meters or thermometers and they would not have been able to use them if they had had them. The amount added was usually found to be so high that it cut off the sale or so low that when the tax was liquidated an insufficient amount was left to cover the cost of production. Particularly in the case of ignorant men such a condition that seemed to them beyond their power to remedy made them willing to do almost anything. The stills are as a rule so situated that evasion of the tax was not difficult, and the owners promptly fell into the habit of making sales without entering them in their books. Some of these sales were in large quantities, but the most of them were to neighboring farmers or abacá workers. These sales were made to consumers and never passed over a traveled road after leaving the factory. This practice probably still continues to a considerable extent, limited by the fear on the part of the purchasers and sellers that they be caught without an official invoice, but with a variation that is comparatively new, namely, the return of the invoice to the still and its use to cover a second lot of goods to the same man. There is to-day sufficient evasion to cause a great deal of annoyance; and while I do not think that a very large part of the vino produced is failing to pay the tax, there is no doubt in my mind that there is enough evasion to seriously affect the market for the rest. It is going to be very difficult to put an end to it entirely, although it has been much lessened lately.

The condition of the vino de coco industry depends, of course, on its market, and the market of the article has been seriously curtailed by causes entirely beyond control. For four years the rice farmers have suffered an almost entire loss of crop. The grasshoppers and the drought have destroyed crops, and, finally, so many animals have died of disease that the ground can not be prepared for the new crop. The farmers, having not enough rice for food, have had to buy, and have exhausted their stored wealth, and have lost a very large amount of good land because of non-payment of taxes. Their purchasing ability has been greatly curtailed. The failure of the rice crop has also affected the market among the abacá workers. The price of the rice, which is the principal article of diet, has somewhat cut down the purchases of even this, the best paid body of men in the Philippines. Also during the past year the price in Manila of hemp has been falling, and, while it is still above the old price, the fall has unquestionably hurt the agricultural classes.

The permanent system of collecting the internal-revenue taxes has now been for sometime in force, and it seems that conditions are distinctly better than they have been. The licensing, which is not in as good shape as could be desired, is improving, and there appears to be no reason why there should not be a continued increase for sometime in the taxes collected and, so far as the schedule A taxes are concerned, in the ease of collection.

APPENDIX K.

REPORT OF INTERNAL REVENUE AGENT GACHES ON THE RECTIFICATION OF DISTILLED SPIRITS AND MANUFACTURE OF LIQUORS IN MANILA.

Distilled spirits in Manila are produced primarily for rectification and conversion into compound liquors by mixing essences of various kinds with the alcohol. The distilled spirits thus used are obtained from two sources, those produced by original fermentation and distillation in Manila and those distilled in the provinces and brought to Manila for rectification. The quantity of spirits distilled in Manila depends entirely on the price of the original materials used for fermentation, such as maize or sugar and its products, in their relation to the price of alcohol produced from the sap of the nipa palm. If the price of these original materials is sufficiently low to make the production from original fermentation more profitable than buying the crude alcohol, the provincial distillers must either limit their production to the amount they may be able to sell to wholesalers for resale as a beverage, meet the price of the Manila rectifier, or close their distilleries. Generally the rectifier's price has been met for the reason that the provincial distiller prefers to sell in large quantities on a cash or short-time basis rather than push the sale of his own product on the general market.

The production of alcohol in Manila from original distillation is almost exclusively from sugar and its products. Maize or native corn is sometimes used, but only for special purposes. There is at present no apparatus adapted for the profitable distillation from "mash," and the difficulties attached to the obtaining of a good ferment, together with the fact that the facilities for handling sugar are so much better, make the production of alcohol from such a source practically nothing. The production in 1902 was only about 24,000 proof liters, in 1903 about 20,000, and in 1904 about 41,052 proof liters.

Sugar products used for distillation are of two kinds, the sugar itself and the miel or molasses obtained from the sugar in the primitive process of clarification. In the use of either sugar or miel the process is the same with the exception that the sugar must first be reduced to molasses while the miel is the molasses itself. This reduction is done in two ways, first, by boiling the sugar mixed with water until the molasses is obtained, and second, by mixing the sugar in the fermentation vat and producing the molasses by dissolving the sugar. The first produces a rich syrup which ferments and distills with a minimum loss of alcohol and cost for fuel; the second saves the cost of original boiling, but the syrup produced has only about half the density of the boiled syrup. The molasses is put into large tanks and mixed with water after which the yeast is put in to cause fermentation. The amount of water mixed with the molasses depends on the custom of the distiller. With miel and molasses proper, however, the amount varies from six to seven parts of water to one of miel. With good yeast as a ferment, the molasses will begin to show signs of activity within twenty-four hours. If the yeast is strong and the temperature right the process of fermentation should be completed in five or six days. The time, however, depends principally on the temperature. If conditions are unfavorable—that is, if the temperature is too high—the fermentation will be set back very materially, sometimes to the extent of taking fourteen or even twenty days to complete the fermentation. A good ferment will contain about 6 per cent alcohol, but the amount varies for many reasons.

The yeast generally used in Manila is imported from Europe. Among the Chinese distillers, however, a native ferment predominates which is said to give almost as good results as the imported yeast and is much cheaper. When fermentation is completed the stock is drawn off into a well and from there pumped into a tank from which it flows by gravity through the distilling column. In the column it is heated by contact with steam pipes, the heat of which is controlled automatically. All machines in Manila for distillation are of the type which produce a low grade of alcohol, usually at about 17° C. or 70 proof. There are in Manila five distillers, properly called, having a total of nine apparatuses with a total output of about 30,266 proof liters per day of twenty-four hours. Eight of these apparatuses are of modern French make, and one is of local manufacture, built by a Filipino who served an apprenticeship in Hongkong. The apparatus of D. Savalle Fils, of Paris, predominates, three of the four modern distilleries being so equipped. However, one distillery alone has five stills of the Revere-Dubois type. There is practically no difference between the two machines except in the formation of the plates and the columns.

The crude alcohol produced by these machines is only a step toward its final end, that of rectification. The process of rectification is for the reduction of the amount

of impurities in the alcohol. In this process the lighter materials, such as aldehydes and methyls and the fusel oils, are removed from the true alcohol. The first vaporizes at a low temperature and rises successfully from plate to plate of the rectification column until it passes off through the analyzer and condenser. The presence of pure alcohol is usually detected by test until the rectifier is thoroughly familiar with his apparatus, after which it is a matter, more or less, of judgment combined with a general knowledge that after so long a time the good alcohol should appear. The lack of the pungent odor in the liquid and the lack of residue left in the hand after evaporation are also tests employed. The first liquid passing from the machine is called the *cabeza* or head. This is drawn off into a special tank where it is eventually mixed with the *cola* or tailings and forms what is called *amilico* or *aguardiente 37°*, which is used for making varnish, drying paints, and for burning. The *cabeza* alone is very volatile, quite as much so as the alcohol itself, and because of its volatility is sometimes called *eter* by the distillers, although it possesses none of the qualities of ether. By itself it has no use and unless made into *amilico* is mixed with the crude alcohol and rerectified. This is rendered possible by the fact that it contains a large per cent of alcohol which passes over with the more volatile substances during the early part of rectification. The same may be said of the fusel oils or *cola* which, while only containing a small per cent of alcohol as compared with the *cabeza*, is sufficiently rich so that it is profitable for some distillers to rerectify it.

Between the *cola* and the *cabeza* is the good alcohol. This alcohol passes off at different grades under different conditions. The average grade in Manila is about 184° proof, but the same machine which produces 184° proof can, with careful handling, produce 190° or 192° proof. The highest possible grade produced by rectifying is 194° proof; any higher grades must be treated with chemicals to remove the water. The alcohols usually produced in Manila are very pure, containing under the most adverse circumstances less than one-fourth of 1 per cent of poisonous matter.

In the process of rectification there is now lost about 10 per cent of the crude spirit put in the caldera for rectification. In the case of one distillery in Manila this loss amounts to about 12 per cent and sometimes runs higher. Two of the rectifiers never lose over 7 per cent and often this is reduced to 5 per cent.

Alcohol brought from the provinces is treated in the same way. It is brought to Manila in *cascoes* containing from 40 to 70 barrels. Sometimes this provincial or *nipa* alcohol is especially treated with chemicals to destroy a portion of the acids which it contains, but more often it is put directly into the caldera or mixed with the product of original distillation and then rectified. This is done for two reasons; first, the sugar alcohol is of a low grade and it is usually more profitable to raise it before rectification, and second, the sugar alcohol gives body to the product and produces better results. In 1904 there were about 2,227,556 proof liters brought to Manila for rectification; up to June 30 of this year 2,644,034 proof liters have been received from Bulacan and Pampanga provinces alone. This is due to the low price of *nipa*, which has driven sugar as a raw material for alcohol from the market.

There are in Manila 8 rectifying establishments in connection with distilleries. These establishments are equipped with 13 rectifying machines. Of these machines, 4 are of the Revere-Dubois (Bruxelles) type, 5 are of the D. Savalle Fils (Paris) type, 1 of the Egrot, 1 of the E. Barbet, 1 of local make, and 1 brought from Spain by two brothers who claim to have a secret of manufacture inherited from their ancestors. Two of these machines are not only rectifying but distilling apparatus, producing pure alcohol by what is known as the continuous process, that is, the rectified alcohol is produced as a finished product, no crude alcohol being produced. Whether there is any advantage in a continuous process is still a debatable question. Chemists claim that it is impossible to eliminate as much of the poisonous substances by the continuous process as by separate distilling and rectifying.

Distilled spirits of the first distillation which retain in their manufacture the natural flavor of the material from which they are made are not used as a beverage in this country. Rum, the ordinary alcoholic product of a sugar-producing country, has sometimes been made in Manila, but never in any quantities. Whisky has never been considered as a beverage, due probably to the fact that the cost of production is entirely too great. The reason for this lack of naturally-flavored drinks is, in all probability, due to the fact that there is in this country a plant from which alcohol can be obtained at a minimum cost. This plant is the *nipa* palm. Its alcohol has a decided flavor, which can be determined even after essences have been added. To eliminate the flavor rectification was resorted to, and from the rectified alcohol imitation liquors of every kind have been made.

Of all the liquors of the islands *anisado* is far in the lead. The strong odor of the anise seed and its lasting flavor, combined with the fact that it is the cheapest and most plentiful essence in the Orient, undoubtedly caused its use by the original distillers. The matter of accustoming the natives to drinking it was a question of time

only. The operation of making anisado is, to all appearances, a simple one, yet each distiller has his special formula, and the native who has a cultivated taste can easily distinguish whether he is getting his accustomed stock. Anisado is of several classes, each class being distinguished by the quantity of alcohol contained therein, according to the scale of Cartier alcohol meter from which the class of anisado obtains its name. The best grade is that of 18° Cartier or "anisado dieciocho," which runs from 70° to 75° proof, and from this grade passes to 17°, 16°, and 15° Cartier as it becomes weaker in alcohol and consequently cheaper in price. Any degree below 15° Cartier, equal to 50 per cent proof, approaches too near water for the taste of the native and can not be sold. Among the natives the grade most commonly sold is that of 16°, or about 60° proof. Considerable quantities of 17° Cartier are also sold. Usually a little sugar is added to soften the taste of the alcohol, and the quantity added in proportion to the amount of anise seed is the trade secret. When sugar is used in considerable quantity and the amount of flavoring extract cut down, the liquor is called "anisado mallorca," or "mallorca." Another name for anisado is "carabanchel," which differs from the true anisado in that it is sweeter and contains more essence. Neither "mallorca" nor "carabanchel" are sold in large quantities.

In popularity with the natives, gin is the next liquor. Gin essence is used for flavoring purposes, and a very fair quality of gin can be produced if care is taken in the compounding. Sugar in variable quantities is added, and here again the factory formula plays a big part. In making anisado any alcohol will serve the purpose, but in the best gin the alcohol should have the flavor of either sugar alcohol or grain alcohol or, better, both combined. The price of gin has always made it a drink of the more well-to-do class of natives, so its sale has been comparatively small compared with anisado. Other imitation liquors such as rum, cognac, whisky, all kinds of liqueurs, and even such wines as muscatel, vino tinto, and tinto dulce, are made from domestic nipa alcohol.

Practically all of the Manila rectifiers are also compounders of liquors. In the majority of cases where rectified alcohol is sold in large quantities it is intended for the compounding of liquors in the provinces. Formerly nearly every wholesale liquor dealer in Manila was a compounder of anisado, the current drink. Alcohol for this mixing was not always rectified. The distillers from the provinces have always done considerable business with the wholesalers of Manila who catered to the poorest classes. With them anisado meant emptying several barrels of nipa alcohol into a tank and adding flavoring extract, or if the order was "rush," the anise was added to the alcohol in barrels and shipped out as anisado. Since the enforcement of the internal-revenue law this class of compounders has mostly disappeared.

APPENDIX L.

OUR AGRICULTURAL RESOURCES.

[Editorial from *La Voz del Pueblo*, of Tuguegarao, Cagayan, June 22, 1905, on the production of tobacco in that province.]

Under this title we include our only agricultural product with which our brothers in the field provide for their necessities. It is in the development of this product that their future lies. We call the attention of our agricultural brothers to the discredit in which tobacco leaf is held, in an increasing scale, in the Manila market.

Our object in taking up this question is only to illustrate to the thinking people of the province and the valley of the Cagayan the fundamental reasons that have caused the depreciation of tobacco leaf and the remedies necessary to cure the evil.

The existing prostration of the tobacco industry is primarily due to the laziness and bad faith of the agriculturist. Our extreme laziness, due to the enervating climate of these latitudes and encouraged by the fertility of our soil, has been exaggerated by the absence of official intervention and encouragement since the time when the tobacco monopoly by the government was abandoned. The demand for tobacco increased, when its cultivation became free to all, until it reached its highest mark in the year 1900, when the agriculturists mortgaged their crops at fabulous prices and did not attempt to duly season the leaf nor properly prepare the soil; this resulted in the practice existing to this day among the large majority of our agriculturists—to raise large crops with a minimum of labor. It is evidently believed that a large quantity of leaf will make up for poor quality. The sophistry of this method of reasoning should be made apparent, and the endeavor should be made to produce smaller crops but of better quality.

Our bad faith has become noticeable in the mixing of different grades of tobacco in the same packages, all of which is due to our greed after lucre. We do not seem to understand that by this procedure we destroy the main fountain from which our agricultural wealth springs.

These, then, are the two prime causes of the present unsatisfactory condition of the tobacco culture, and we shall now proceed to enumerate the methods which, in our opinion, should be followed by the producer in order to avoid the menace now before us of the total annihilation of the main source of wealth of the valley of Cagayan.

If the human family requires in its raising the utmost care in order that it may be brought to a healthy maturity it is no less the fact that the nurseries for the production of the tobacco seedlings should receive the same careful attention. Soil of the proper richness should be selected, preferably virgin soil from which the forest growth has recently been removed, and if such soil is not available, then the soil used for the nurseries should be properly pulverized and fertilized. The matter of watering or irrigating these beds should also receive careful attention until the seed has generated. The transporting of the seedlings should be made at a time when the two first leaves have grown to about the size of a peso.

If in the conservation of animal life proper hygiene is necessary it is also necessary for the proper nutrition and development of vegetable life. For the care of the growing plants it is necessary that the ground should be properly prepared. The soil should be plowed three or four times in order to break up the clods and permit the roots of the tobacco plants to penetrate and absorb the necessary nutritive matter therefrom. The soil should be properly fertilized. The worms and other insects and the weeds that grow up in the plantation should all be eradicated. The plants should be watered or irrigated in such a manner as to not wet the leaves (this in case of drouth). The buds should be picked off in order that the sap, which would otherwise go to waste, may be used to increase the size and quality of the leaves. All young shoots that do not promise to produce good leaves should be removed.

After all foresight has been used for the care of the growing plant careful attention should be devoted to the gathering of the leaves. This should be done at the proper stage of their development, neither when they are too green nor after they have passed the proper stage.

If the agriculturist takes pride in the appearance of a plantation properly cultivated he should also take the same pride in seeing that the harvest from his fields is properly cared for and seasoned before it is delivered to the purchaser. Tobacco leaf should be cured under roof, in order that the changes in the weather may not affect its quality. To-day tobacco leaf is largely seasoned in the open air and the rain and hot sun prevent the proper curing, which can only be obtained in an equable temperature. Care should be taken also in the cutting of leaves which go to make up a *manajo* (package); in the conscientious selection of the leaves of the various grades in order that they may be properly classified and delivered and, in this manner, to rein confidence on the part of the purchaser in our good faith; in the proper handling and pressing of the leaf in order that the delicate fiber may not be injured; in patient and intelligent stacking of the leaves in order that the curing may be uniform and perfect and that a uniform temperature may be obtained, otherwise the leaf will ferment and spoil. In the stacking of the tobacco leaves a vent should be left in the center of each stack in order that the vapors from the sweating of the leaves may have an opportunity to escape, and in order that the noxious gases may be eliminated and that the aroma and proper coloring of the leaf may be obtained. In the handling of the tobacco the various bundles and packages should be turned and distributed so that each may alternately occupy an exterior and an interior position in the stack.

With regard to the use of fertilizers of the soil it has been found in practice that the best result will be obtained by their use. We have seen that the valley lands, which are periodically watered by the Río Grande, from which this province takes its name, produce a superior crop. It is therefore recommended that sufficient fertilizers be used on the higher lands devoted to the culture of tobacco and to which the alluvium from the river can not be carried even at the high stages of water.

The foregoing remedies which we have prescribed to bring about a better condition in our agricultural industry, now so depressed, are more in the nature of reminders, for the reason that the agriculturists of this valley are already well aware of their duties in the premises. We therefore remind our brothers in the fields that if, before the time when the Government monopoly on tobacco lands was removed, they worked because of the fear of the overseer's whip they should to-day work under the influence of the fear that if they do not do so there will be no purchasers for their product.

We conclude these few lines earnestly advising the agriculturists of this valley that they endeavor to apply the remedies we have printed and that by doing so they will, to the extent that in them lies, have assisted in raising our principal source of agricultural wealth from out of its present slough of despond.

APPENDIX M.

CAGAYÁN AND ISABELA TOBACCO LANDS.

[By H. B. Fernald.]

I. TOBACCO LANDS.

The cultivable area is roughly shown by the attached map and will be seen to consist of a strip of about 5 to 10 miles in width along the Cagayán River and its tributaries. Tobacco can be grown as far north as Gattaran, but it is not of the best quality. The lands from Tuguegarao to Alcalá used to raise a first-grade tobacco, but they have been worked so continuously that the best tobacco is now found in the more recently developed lands.

There are two main factors which determine the availability of land. (1) The natural conditions, and (2) the means of transportation.

(1) *The natural conditions.*—During the rainy season, from September to December, the Cagayán River and its tributaries rise from 10 to 40 feet, covering the valleys for miles on either side with their muddy waters, which leave a deposit sometimes of several inches of silt. This makes the first-class tobacco land. Back of this is the second-class tobacco land, which is not inundated and which is practically uncultivated. These lands could in many cases, with but slight expenditure of capital, be easily flooded from some of the many small streams found throughout the country.

(2) *Means of transportation.*—For lack of fitting transportation facilities great sections of the finest tobacco lands are uncultivated, especially the Magat Valley and the upper Cagayán above Echagüe. From December to June only rarely can steamers of 3 feet draft go above Alcalá. From July to January they can usually reach Tuguegarao. From September to December they can usually reach Ilagan and sometimes Cauayan. There are two steamers, the *Magat* and *Magapic*, belonging to the Tabacalera Company, which handle only company's freight; one, the *Aparri*, belonging to a private company, which does a general business; the government steamer *Sentinel*, and three small launches. Practically all the tobacco transportation is therefore by cascoes. Probably three-fourths of the tobacco business is in the hands of the Tabacalera Company. They have their storehouses in every town. The tobacco stored in these is loaded in cascoes, which are poled, rowed, or sailed down the river until they can be taken in tow by one of the steamers and go to Lalloc for transshipment. Other cascoes go all the way to Aparri unaided. Two weeks for the trip from Aparri to Ilagan and a week for the return is quick time for a casco. The cascoes continually go aground on the numerous sand bars and often have to be unloaded before they can cross a bar. The cost of such transportation, added to the heavy rates charged by the coast steamers, make the expense of shipment equal to 25 per cent to 50 per cent of the value of the product shipped.

In addition to this expense of river shipment must be noted the cost of cartage from the fields to the river. There are practically no improved roads in the valley, and 10 miles is about the limit for profitable cartage. This is the reason that such large tracts on the upper Cagayán, on the Magat, and on many other smaller rivers are uncultivated. Many of these rivers are great torrents in the wet season, overflowing miles of fertile ground, but in the dry season are small streams, which do not serve even for rafting the tobacco to the main river.

The larger part of the land is owned by local owners in small parcels, but there are a number of large estates, especially in Isabela Province. These estates are worked by "colonistas," each of whom has his own parcel of land to work.

Few persons have valid titles to their land, and it is a common practice to settle on any suitable unclaimed land and cultivate it.

II. THE METHOD OF CULTIVATION.

In the latter part of November or early in December the tobacco is sown in seed beds, and as soon as the fields become dry enough to be worked the plants are transplanted to the fields, which have been plowed twice or thrice with the ordinary plow,

harrowed with a bamboo harrow, and marked off in squares. The weeding is done twice by hand and the weeds left lying between the rows. A plow is sometimes run down between the rows. The suckers are not picked off. The plants are budded once. Sometimes the leaves are picked one by one as they ripen, but oftener the whole stalk is cut at once. The leaves are stuck on sticks about a yard long and the diameter of a pencil, and put in the sun to dry. When dry they are piled in the houses and changed occasionally as the bottom of the pile grows too hot. Before being sold the leaves are taken from the "palillos" and made into "manos" or flat packages. "Sweating" is usually done by the buyers before shipment to Manila, and again in Manila much more thoroughly.

III. IMPROVEMENTS NEEDED.

(1) *Transportation.*—The great need is for a railroad. The route suggested is shown on the accompanying map.^a Of necessity the railroad would have to go some distance from the river and would on this account pass through much land not now available. It would also so reduce freight rates that tobacco could be carted longer distances. It would further mean that large numbers of settlers from the overpopulated provinces around Manila would come into the valley and take land not now cultivated. Such a road would not probably pay expenses for the first few years, unless the timber trade should enable it to do so, but the general increase in production and prosperity which would rapidly come would make it a paying enterprise thereafter. In bringing the valley into closer touch with Manila markets and with the civilization of the outside world the railroad will do an invaluable work.

(2) *Cultivation and care of the tobacco.*—The value of the tobacco crop of Cagayán and Isabela is much less than it would be if more scientific and careful methods were followed in planting, cultivating, and curing the tobacco. Some of the principal defects are as follows:

(a) The seed has been unchanged for years and has greatly degenerated. The importation of fresh seed from Sumatra, Cuba, and America would be a material gain.

(b) The preparation of the soil is very imperfect and expensive. Modern implements would prepare the soil better at a smaller cost.

(c) The suckers are not removed, but are allowed to grow in order to get a greater number of leaves. The buds are only removed once, and then allowed to grow again without removal. In this way a large part of the strength of the plant goes to suckers and buds.

(d) Nothing has been attempted in the way of raising tobacco under screens.

(e) When picked the leaves are jabbed on sticks, which makes a considerable hole as compared with the method of using small strings, as in Sumatra.

(f) In drying the leaves are exposed to the hot sun. They should be first dried in darkness and then the light gradually admitted. This is probably the greatest defect in their tobacco culture and permanently injures the tobacco produced. Instead of being dried out, the oils are burned in. No process of sweating can afterwards remedy this.

IV. TO IMPROVE THE SITUATION.

(1) *Tariff reduction.*—The benefits to accrue are self-evident. Not only would those now raising tobacco receive a better price for their tobacco, but new capital would enter the valley, with improved methods of cultivation and transportation resulting.

(2) *Railroad.*—If the Cooper bill becomes a law there can be but little doubt that a railroad will be built passing through the timber lands of the Caraballo Sur and the tobacco lands of the Cagayán Valley. The road would soon become a paying investment and the benefit to the country would be immeasurable.

(3) *River improvement.*—If the river could be dredged or in some other way the sand bars obstructing the channel could be cleared, it would reduce the cost of river transportation by almost one-half.

(4) *Coolie labor.*—Were the introduction of coolie labor to be permitted it would mean the establishment of large, rich haciendas, a great increase in the quantity and an immense improvement in the quality of the tobacco produced, and a vast increase in the general wealth of the country, but the Filipino labor would not be able to keep the pace thus set and would be driven to the wall.

(5) *Education.*—The present school at Tuguegarao is the beginning of a valuable work whose influence will gradually effect some improvement. There is an old

^a On file in the Bureau of Insular Affairs, War Department.

Spanish government farm at Ilagan which might be reestablished with profit and would prove a valuable object lesson in improved methods.

(8) *Fairs*.—As an immediate means of arousing an interest in improved methods of agriculture nothing would accomplish so much as the old-style "county fair." Improved agricultural implements would be brought directly to the attention of the people. The bureau of agriculture could have tobacco in various stages of cultivation, showing what approved methods will do. An object lesson of this kind would be of incalculable value. Abundant land could be obtained at Tuguegarao and thousands of people from all through the valley would attend. The usual prizes should be given for local products, and everything would be run along the line of the "county fair" in the States. One or two thousand pesos would cover the cost of the necessary buildings, and the good immediately resulting would be measured by tens and hundreds of thousands of pesos in the increased value of the crop raised.

APPENDIX N.

THE TOBACCO INDUSTRY IN THE PHILIPPINES.

[Article by Mr. B. Ayesa in *El Mercantil*, of Manila, April and May, 1906.]

The Hon. Mr. Taft, at a meeting of American tobacco growers, made the assertion that the only tobacco worthy of mention in the Philippines was that produced in the Cagayán Valley.

Mr. Taft knows perfectly well what he has said and this demonstrates once more the deep study that he has made of the Magallanic Archipelago.

Can the Cagayán Valley tobacco be compared with that produced in North America in the States of Kentucky, Virginia, and Maryland? We firmly believe so.

The Cagayán Valley, and above all the province of Isabela, can produce tobacco very much superior to that now raised (or said to be) in that region; but the deplorable state of backwardness in which the cultivation, the curing, and the handling are found, makes that leaf (which could, if presented in the different markets of the world, obtain one of the foremost places) discarded at the present time because of its poor quality and even worse presentation.

About a decade ago the Philippine tobacco entered and was valued in the markets of Amsterdam, Trieste, Antwerp, Hamburg, London, Spain, and others. To-day it may be said to have become limited to the Spanish market, and this latter will be likewise lost very soon, for at the termination of the period of ten years provided by the treaty of Paris, and when Spanish goods cease to be favored by the tariffs, it is almost certain that the Spanish monthly mail steamers will also cease to ply, and then it is very probable that the doors of Spain will be closed to Philippine tobacco.

Now that the Philippine tobacco question is so much debated, both in America and in the Philippines, and prompted by the best wishes for and in defense of this industry, I propose to undertake a complete essay thereof, for which I will draw upon my experience of twenty-two consecutive years engaged therein.

No industry can be developed with probable success without counting beforehand with good first materials.

To judge by the fame acquired at one time by Filipino tobacco when it became free of the monopoly exercised upon it by the Spanish Government, anyone would have believed that this industry would make great strides.

Logically considered this belief was very natural, for once the business was delivered up to private enterprise and the planters were at liberty to sell their tobacco to the highest bidder it was to be supposed that both the tobacco cultivation and its industry would improve greatly. But the Philippine Islands have been and will be a country of hidden problems, and tobacco continues since then in an alarming state of retrogression.

What are the causes? We will endeavor to expose them clearly in the following articles.

The history of Filipino tobacco dates from the year 1783, when Governor-General Basco decreed that the government should have control of tobacco. Therefore, tobacco in the Philippines was monopolized exactly one century.

The government exercised entire monopoly both as to the leaf and the manufactured, for which purpose it had a corps of appraisers distributed over the different provinces and towns where the plant was cultivated. In Manila it had various factories for the manufacture of cigars, cigarettes, and smoking tobacco.

The chief appraiser, styled "interventor," resided in the capital of the province and had at his orders various subordinates called "alumnos aforadores."

These operated by districts composed of various towns, and in each town there was a "caudillo" (head man), who was at the same time "gobernadorcillo" (little governor), who, together with the "teniente" (overseer) of the tobacco fields, exercised the office of inspector of cultivation and was remunerated by a percentage of the crop.

The chief appraiser issued the order fixing the date upon which the first tobacco seed plot should be planted, for there were several, alternating generally every fifteen days.

These were common seed plots and occupied at least one-half a hectare of land each. Their care and weeding were in the hands of the old men, the women, and the children of their respective towns, while the able-bodied men engaged in plowing their lands and preparing them for transplanting the tobacco plant.

At first sight it would seem that the inspection exercised over the planter was somewhat oppressive, treating him as if he were a colonist or laborer not working his own property.

Nothing could be more erroneous. That wise inspection was purely paternal and, thanks to it, the tobacco seedlings were obtained in proper season. The lands were prepared with three plowings, at intervals of fifteen days each, and the transplanting was done, commencing with the highlands in the second half of November and ending with the lowlands in the first half of January, a period during which it is well known that the transplanting should be done. There is a common adage that says: "Mas vale llegar á tiempo que vendar un año" (It is better to arrive in time than to round about for a year); and following this most true maxim, we may say: "He who sows in time has an almost certainty of reaping a good crop."

A person acquainted with the beautiful plantations of the Cagayán Valley knows likewise that they are favored with fine, ambient temperature, humidity, adequate seasonable winds, and the proper chemical composition of the soil to bring forth as a result those magnificent tobacco leaves, the beau ideal of the smoker.

But this leaf, which at one time acquired justified fame, is being lost at gigantic strides within the past few years.

The tobacco now cultivated in the Cagayán Valley may be said, without doubt, to be almost a wild plant.

Planters, both on a large and small scale, seem to have united for the purpose of casting ill repute upon the Filipino tobacco.

I know that this assertion will bring forth cries of protest; but I have undertaken to publish a complete study of tobacco in its different phases, and if I now touch the sore spot of the planters, to-morrow I may touch that of the leaf-tobacco dealers, and later that of the manufacturers, for they are all and each one of them in their sphere of action responsible for the deplorable state of Filipino tobacco.

We said in our preceding article that once the tobacco business was delivered into the hands of private enterprise, it was to be supposed that both the cultivation and the industry would improve greatly.

True it is that the manufacture of tobacco is all that could be desired as to its presentation and style. The Filipino cigar maker has no rival. But, on the other hand, that special preparation of the tobacco, those secrets of manufacture which have given so much renown and profit to certain manufacturers—this art is yet in its infancy here, and we can voice it loudly.

Upon the abolishment of the government monopoly of tobacco in the year 1883, a mercantile company was established in the Philippines under the name of "Compañía General de Tabacos de Filipinas."

This powerful company began to operate then with a cash capital of £5,000,000.

It founded the great cigar and cigarette factory entitled "La Flor de la Isabela."

It secured the greater part of the leaf tobacco of the first crops, and thereby acquired almost in its entirety the monopoly in tobacco.

In Isabela, Luzón, it bought from the Government and private parties extensive tracts of lands, known to-day as the San Antonio, San Luis, and Santa Isabel plantations. These plantations were populated by immigrants from the provinces of Ilocos Sur, Ilocos Norte, La Unión, and Abra, likewise tobacco-growing districts, though not on the scale of Isabela and Cagayán. We wish to say by this that these colonists were not entirely ignorant of tobacco cultivation.

There was also founded at that time another tobacco plantation, named Malum, owned by the firm Baer, Senior & Co., and still another, which was of less importance, and for this reason we do not mention it herein.

It was to be presumed with justified reasons that these plantations would prove to be in time semiagricultural schools, wherefrom colonists would issue very much

advanced in the cultivation, curing, and handling of tobacco, whose instruction would afterwards extend to the different towns of the Cagayán Valley, and even to the towns from where they had emigrated.

Before entering into the cause of the retrogression in leaf tobacco, and as a consequence that of the tobacco manufacture, I have need of making a statement:

Be it known now and forever that my writings do not attach, directly or indirectly, to any one given company, entity, or person.

I am one of the greatest enthusiasts for everything appertaining to tobacco.

I regret as much as anyone the great evil threatening others, and it is my duty to sound the alarm and at the same time to bare the facts in order to seek the remedies.

Having eased my conscience with this statement, we will now commence.

Those plantations which, as I have said before, were to be in a measure agricultural schools are in the same regrettable state of backwardness as that of a poor laborer who learned nothing more than the path shown him by his grandfather.

No machinery is to be found there. On the other hand, the ever-present carabao and the antiquated plow are there furrowing those extensive tobacco fields, and not penetrating into the soil more than 12 or 14 centimeters.

There is not to be found a single rail or tramway nor any portable road whatever to gather and carry the product of the fields to the warehouses or shipping places.

No fertilizer is used, nor any irrigation, other than the fertilizing slime or mud annually left there by the great floods of the rivers and the rain sent down by Providence.

If such is the case in the large plantations, what must be the conditions among the small, poor planters, who have no instruction, no capital, no animals, nor any kind of indispensable appliances to cultivate the land?

The foregoing are certainly ample reasons for not relying upon a good crop, but there are others worthy of a separate chapter.

PREPARATION OF THE SOIL FOR TOBACCO CULTURE.

To plow or dig the soil is good, for four reasons: (1) So that becoming spongy thereby, facility is afforded for the spread of the roots and for the circulation of air; (2) so that, bringing up and turning over the subsoil, the latter may be improved and thinned out by the heat of the sun; (3) to uproot the weeds which absorb the nutritive juices contained in the soil; (4) that by repeated labor the soil may retain its freshness, in order to impart to the vegetables the necessary juices during the heated term. The soil once prepared in this manner, the seed is sown, the plant takes hold, grows, and the fruit is borne by nature. Man has done nothing more than to combine the means.

The system of preparing the soil throughout the Cagayán Valley could not be worse. The tobacco lands there, if not used for corn after the tobacco crop, are left in a complete state of neglect; they fill up with weeds and with a dense growth of vines and other plants that do not allow the rays of the sun to enter, and that moreover suck all their substance, leaving them barren for the new crop.

Tobacco lands should be timely prepared, beginning to till them in the month of July or August for those in which corn was not grown, securing thereby two advantages: First, to kill the weeds by solar action; second, to air the soil thoroughly.

At present the major part of the lands commence to be tilled fifteen days or even less before the transplanting begins—a bad system, with fatal results.

We have already spoken about the deficiency of the old plow, which should be replaced by the modern moldboard of very easy handling, and which besides penetrating deeper into the ground has the advantage of turning over the soil very much better than the one now in use.

Land for tobacco cultivation should be plowed three times, with intervals of one month between them, for lands whereon corn was not grown, and at least fifteen for these latter.

We also recommend that after plowing the native harrow should not be used. This is a very general and harmful custom. By this means all that is accomplished is to pulverize and flatten out the soil on the surface, and it prevents the penetration of the rays of the sun. Every good planter should know that the solar action is the best fertilizer that the soil receives.

FERTILIZERS.

We have yet to learn that any large or small planter has tried any kind of fertilizer.

It may, perhaps, be argued that the plantations of the Cagayán Valley do not need fertilizer because the deposit of alluvium brought periodically by the great

overflows is sufficient to fertilize the soil, and that the plants do not suffer through lack of nutritive matter.

While it is true that most every year those plantations are benefited by the floods, it is no less true that these lands are in need of foreign fertilizers. An ample proof of this is that in Gamú, Ilagan, and other plantations annually fertilized by the rivers the crops are degenerating.

It is most true, and confirmed by thousands of experiments, that the cultivation of tobacco, carried on with the best conditions of soil and climate, is perfected greatly in quantity and quality if the planter employs scientific means in the nutrition of the plant.

Of the different analyses made of tobacco we draw the conclusion that the most select leaf is that cultivated in lands abounding in soluble salts of potash, which, besides promoting rapid development of the leaves, give them great fineness, flexibility, and aroma without thereby increasing the quantity of nicotine.

Potash salts are obtained in the ashes of any kind of forest plants, burnt bamboo and others, and the richest in this substance are the very stalks of tobacco and corn.

Every tobacco planter will have noticed that when, after the great floods in their fields, the stalks, branches, and brush left thereon are burned there, the plants planted among these ashes acquired greater development than the rest. Their color was a deeper dark green, and the greater flexibility and fineness was clearly apparent.

Well, then, this having been observed, it is not difficult to select the fertilizer, and its acquisition is within every planter's reach.

We recommend as one of the best systems the formation of the "hormigueros," or heaps of burnt earth, a very antiquated mode of fertilizing the fields and of positive results in tobacco culture.

There is a more simple way still: Cover the surface of the land to be cultivated with a not too thick layer of branches, dry leaves, grass, or bamboo, and place on top another layer of dry earth, one or two inches deep; burn in proper season, and two or three days after this operation give one turn with a plow. By this means uniform fertilization of the whole field will have been obtained, and also the destruction by fire of innumerable grubs and larvæ of insects, which are tobacco's worst enemies.

TOBACCO SEED AND SEED PLOTS.

We consider the selection of seed of the greatest importance. It should be chosen from the most healthy and developed plants in each field, and the planter should mark them, even before budding, thereby preventing the mistake of rendering the seed useless when the women come to remove the sprouts or shoots and the buds. The selection of the seed should be made with great care, because of the immense variety and completely distinct conditions.

The seeds known as Maroqui, Vizcaya, and Havana, this latter known likewise by the name of "heart," due to its shape, are those which produce the largest quantity of light, fine, and clean wrappers.

The seeds known by the names of Romero, Morada, and Casira furnish an aromatic leaf suitable for fillers of good cigars and for select cut tobacco or "picadura."

These plants bud very soon, but if the transplanting is done in the second half of November or first half of December, the cool north winds moderate their growth, they take deeper hold, and after that their development is greater, many times reaching up to twenty leaves in the first cutting.

As to the seeds Pampano and Espada, they should be discarded altogether. The first named gives a leaf similar to that of the cabbage, very much wrinkled toward the stalk, very coarse, and with very thick cross veins. The second named gives a very narrow leaf of "maduro" color and heavily charged with nicotine, for which reasons it is used solely for chewing tobacco.

Now that good wrappers are so scarce, we recommend to the municipalities to provide themselves with Sumatra seed. It produces a very fine, light-colored leaf, and if the transplanting is done early the leaves attain fairly good size.

This kind of seed was planted rather extensively in an important plantation in the Cagayán Valley and, in my humble opinion, the results were very satisfactory, and they would have been much more so if the transplanting had been made to soil of more strength, or that known there by the name of "jugus," wherein the plants obtain very much more development.

It has never been explained why this seed was discarded. I believe that it was an unfortunate mistake and that dire results will now be experienced.

SEED PLOTS.

There should be at least three, the first to be sown between the 15th and 20th of September, for, bearing in mind that the seed if well cared for obtains in between forty and fifty days, this enables the commencing of planting in the second half of November. We have already said that these plantings should be alternate and at intervals of about fifteen days each.

The selection of seed is not practiced at present. The planter, without caring to see if the plant is sound or diseased or noting this or that condition, gathers the seed from the field, and it is very frequently the case that it is taken from the sprouts or from the discarded plants. Hence the diversity of classes found even in small fields.

The seed plots outside of the plantations are formed in very bad conditions as to soil and weather, so that the planter who has been cautious and has secured his seed in good season has need of becoming a constant sentinel, and even then at the slightest lack of vigilance he is robbed of it. These thefts are likewise very frequent even after the transplantings.

All these evils would be avoided if the municipalities would follow the good custom of making common seed plots, as was done during the time of government monopoly and described herein.

TRANSPLANTING.

We have said that the transplanting of tobacco should be made in the high lands during the second half of November and in the low lands during the first half of December. This latter can be extended up to the 24th of the month at the latest.

These are called early plantings, and many years of experience have shown us that they are the best, for three distinct reasons: First, because after the recent rainy season the soil retains all the humidity; second, because the cool northern winds modify the growth of the plant, which, seeking the warmth of the soil, takes firmer hold, absorbs the nutritive juices, and the development is much greater both in quantity and quality; third, because the season of northerly winds extends throughout the month of January, bringing therewith some showers of fine rain, highly beneficial to the plants.

Now, unfortunately, just the reverse occurs. We frequently see that lands to be planted with tobacco are still entirely neglected, full of brush, and the planter does not even trouble himself to give it the first plowing.

These lands are afterwards cleared, plowed, and prepared at times in less than a week. The transplanting is poorly done, the soil is raw, has not been benefited by the sun's rays, and consequently is not vegetable soil. The roots of the weeds previously torn out again take hold immediately and the field is once more full of brush. The greater number of the plants die, and those that do not perish grow up stunted, diseased, and develop unevenly. The tobacco is extremely poor, of a yellowish color, gummy, slow to burn, and very bitter.

It is very risky to mix this tobacco with others, because it is very liable to heat and also to impart to the others its bad conditions of color, odor, and taste.

The delay in the transplanting is due to nothing else than the little care given to the seed plots; sometimes owing to baguios, others to excessive rain, others to drought, and always to neglect; it happens that when the season for sowing arrives there are very few who have the seed ready, so that transplanting is done in the months of February and March, when the cutting of the first leaves should begin. Hence, the crops are scarce, of poor quality, and of divers kinds and conditions.

Another feature of the greatest importance is the distance to be observed between the plants. The general custom at the present time is approximately 1 vara (about 33 inches). This is practiced in all the lands as if they were of like condition. We agree to that distance as to the walks, but not between plants.

The beautiful plantations of the Cagayan Valley are formed of lands rich in organic elements of great nutritive strength, and in these lands we consider the distance between plants as excessive. Hence, it happens that the plants give out an excessive amount of foliage and there is need of frequent gleanings; otherwise a small forest would be formed.

Due to the excessive distance, the plants absorb a greater quantity than necessary for their nourishment, resulting in very thick leaves with very pronounced cross veins, of difficult application and usefulness for fine wrappers.

For the same reason the colors "maduro" and "colorado maduro" predominate, and we find the colors "claro" and "colorado claro" only in the leaves, called in Ilocano "lapa en ibanag" and "palaspas." These are leaves near the ground and sheltered, therefore, from the sun and the wind.

The distances that should be observed are 80 centimeters for the walks and 65 centimeters between plants. With these distances will be obtained the following valuable advantages: First, in the same space a much greater crop; second, by the distribution of the juices of the soil affected by the increase of plants the leaves will be finer; third, through the shade mutually afforded the much-desired colors "claro" and "colorado claro" will be obtained.

The plantings having been made as explained in the preceding chapter, we must now look after the maintenance, cleaning, and cutting.

All the operations in tobacco culture are of such importance that we compare them to a complicated machine, wherein several geared wheels work together.

From the moment that the seed is put into the ground until the tobacco goes into the market in the shape of cigars and cigarettes it passes through many delicate manipulations.

So that in order to explain the causes of the depreciation of Filipino tobacco within the last few years and to suggest the remedies, based on many years of study and experience, it becomes necessary to publish various articles, which we do not doubt will be read with interest by all those engaged in the culture and manufacture of tobacco.

It many times happens that the plants carry from the very seed plot the grubs and larvæ of insects, the destruction of which is very necessary.

When the seed plot is attacked by the worm and it is desired to prevent the propagation of the plague to the plantations, it should be destroyed within the seed plot itself; for which purpose a not very thick lye of ashes and boiling water should be made, and when cold the seed plot should be irrigated therewith. It is only in very rare cases that this has to be repeated.

If the field wherein the transplanting has been made has been previously fertilized with ashes and burned earth, as we have suggested, it can be guaranteed that the worm will not make itself very visible, for the potash salts, besides being the best fertilizer for tobacco, have the quality of destroying the parasitical insects of the plant in over 60 per cent.

Besides attending to the removal of the worms morning and evening, it is advisable to make bonfires at night at the margins of the tobacco fields, whereby the butterflies will be drawn into them by the light and perish in the flames, instead of depositing their larvæ on the plants.

Frequently one or two sprouts or shoots are allowed to remain on the plant, and this, although it increases the crop, is not at all advisable, because the leaves grow smaller and of inferior quality generally, and those of the high grade diminish.

When the plants have entirely developed they bud, and it is advisable to at once nip the buds before they flower.

When doing this, care should be taken not to bud the plants previously marked for seed, and, as we have said before, these plants should be selected for the fineness, elasticity, and width of the leaves.

Once the budding has been done the sap becomes distributed into the leaves of the plants, and immediately they begin to mature.

Many times have I noticed that leaves were cut before maturity and others when overmatured. In both cases the leaf entirely loses color, aroma, and flexibility, which are indispensable conditions for manufacture.

We therefore recommend that the cutting be done when the leaves begin to lose their dark-green color and when seen from within toward the light small blisters are noted. It is then that the leaves are in condition for cutting. It should be done during the heat of the day, because it is very harmful to cut in the early morning hours when the plants are covered with the night dew.

We likewise recommend the cutting after the full moon, because the tobacco plant, as all other plants in general, contains a greater quantity of liquids when the moon is crescent, which liquids are a source of innumerable difficulties in the curing, with marked tendency to decomposition.

DRYING HOUSES.

Ninety per cent of tobacco planters do not attach importance to the operation of airing and drying the leaves. Through badly understood economy they do not build drying houses, and those that are built do not have the necessary conditions for a good drying process.

They should be built in well-ventilated places, somewhat distant from rivers and as far away as possible from lakes and swamps.

They can be plain, i. e., of cane and bamboo only, but inclosed with latticework doors and windows, and not in the form of sheds, as a good many are constructed.

The lattices should be as close as possible to prevent incoming rain and the humidity of the atmosphere.

It is well known that the green leaves of tobacco, when drying, absorb all the oxygen of the atmosphere, which makes breathing very difficult inside of the drying houses, for which reason we advise the planters to abandon the bad habit of drying tobacco inside of their dwellings.

The leaves in decomposition exhale gases charged with nicotine, and they are dangerous for people living there. It is this that causes the frequent pernicious fevers known by the name "Cagayán fever."

We have already said that the majority of the planters do not attach importance to the tobacco drying, whilst a good method in that respect is almost a guaranty of a good crop.

Tobacco is at present allowed to dry by the sun. If it rains they cover it (but not always) with a few banana leaves, which cover it so deficiently that in most instances it becomes completely soaked. At night it is left out exposed to the weather and receives all the dew sent down by God.

With that method of drying it is entirely impossible to obtain good tobacco, for the leaves with excess of humidity attain a variegated color, with black and greenish stains, they lose combustibility and aroma, and acquire a bad odor produced by mold.

The best system known to us, and which has given very good results, is the following:

Once the drying houses or camarines have been built in the form herein described, place inside a "pala pala" (scaffolding), made of bamboo, both vertically and horizontally, leaving a passageway along the whole center, with a connecting door at either end of the building.

The "hands" of leaves, composed usually of one hundred, are then hung on the different rings of the "pala pala," taking care that they do not touch each other.

Should the weather be damp and rainy it is advisable to introduce smoke into the building, thereby killing the vegetable parasites on the leaves without injuring in the least the good quality of the tobacco, provided that the smoke is not excessive, and the plants burned for that purpose were not resinous.

During extremely damp weather the doors and windows should be closed to avoid the circulation of damp air, and it should be endeavored to keep up a dry temperature by means of smoke.

Should the weather be dry with northeast monsoon winds, usually prevalent at that time, the doors and windows on that side should be closed and the opposite ones opened, thereby avoiding the hasty drying and shrinking of the leaves. It is advisable to interchange the "hands" of leaves that have been more exposed to the heat with those which were in a lower temperature within the camarine.

There is nothing easier than to obtain uniform drying within the drying houses or camarines by means of a thermometer and taking care to maintain, whether by ventilation in dry weather or by fires and smoke in wet weather, a maximum temperature of 36° and a minimum of 25°.

Should it be observed during the drying process that some leaves have become moldy through excess of humidity it is advisable to take them out and expose them to the sun, thereby killing in a few hours this injurious fungus vegetation.

THE PILING OF LEAF TOBACCO.

The leaves having been dried as described in the previous chapter the piling up, or "mandalas," is proceeded with.

The name of "mandala" is given to the piles of dried leaf tobacco removed from the drying storehouses.

The purpose of making up into mandalas is to make tobacco smokable by means of fermentation.

Mandalas should be two at least, and to this end a careful selection of all sound and clean leaves should be made, with which we will form the first mandala. In the second we may likewise place all leaves of inferior quality, as well as all such as during their drying may have become mildewed through excess of dampness.

The object in segregating the mandalas is to prevent the bad leaves transmitting their bad conditions of odor and taste through fermentation to the good ones.

The fermentation of tobacco in mandalas should be slow, as an excess of heat would injure it very much as regards color, flexibility, and weight.

It is therefore our advice that when 60° are reached, which is the maximum temperature to be allowed to tobacco, it should be overturned twice—when the temperature reaches 45° and 55°, respectively—a third one to be given at 60°.

It must not be taken that as the maximum temperature has been reached tobacco is now cured. Nothing would be more erroneous. The period of fermentation of tobacco in no case is under seventy-five to ninety days, and during such period it should be overturned in succession, until the fever gets down to the same temperature with which it started.

The fermentation of the tobacco having been completed, its selection and classification should now be proceeded with, put up into hands and getting it ready for appraisal and baling.

It has been thoroughly demonstrated that a maximum thermometer is indispensable to every good tobacco grower. Now, then, I may assume without the risk of erring, that outside of the plantations there are not ten thermometers in the whole of the Cagayán Valley.

With the proper use of a thermometer incalculable advantages may be obtained.

If our crops consist of thin leaves, elastic, and of a light color, nothing is easier than to preserve such conditions.

It is a known fact that at a maximum temperature of 60° tobacco obtains a high color, and the leaf loses part of its elasticity; combustibility and aroma, however, being increased.

In order to preserve the two former qualities we must endeavor not to allow the temperature inside the mandala to exceed 50°.

If the tobacco is gummy, it comes from high or thin lands, and if it is found with a decided tendency to become worm-eaten, there is nothing easier than to destroy the germs by means of fevers, and if the leaves are not sufficiently juicy, and it were therefore impossible to raise a temperature of 60° to 65°, a liquid obtained by the boiling of tobacco of good quality may be added by means of a fine sprinkler or a sprayer, in order that the leaf may become sufficiently damp to insure a good fermentation, and we will then have placed the tobacco in such a condition that it will not be worm-eaten for a long time.

We therefore recommend as an indispensable instrument to all good tobacco growers the use of a maximum thermometer, whereby they may observe their mandalas, on the assurance that they shall never become overheated, besides other advantages already pointed out.

APPRAISEMENT.

In the course of this essay we have set forth numerous reasons by which it is shown that the leaf tobacco raised in the Cagayán Valley can not be good; and it is evident that such tobacco, being the only one which could be exported to the United States, as stated by the honorable Mr. Taft, there exists no reason why the American tobacco dealers should object to the reduction in the Dingley tariff.

An analysis of the causes and their effects having been made, the complaint turns out to be a very deeply rooted one. The disease has become a chronic one, and there is no remedy but to apply the lancet if we wish to extirpate the cancer that is gradually undermining the patient's life.

Anyone acquainted with the history of the Philippines is also aware that it is not many years ago when the provinces of Ilocos Sur and Ilocos Norte were rich, and very rich. Their chief production was indigo, which, whilst it was all handled by Filipino and Spanish merchants, was admitted to and in great demand in the principal markets of the financial world; classes 5 to 8, which are the superior kinds, being then quite abundant, and were compared in Europe to the unequalled "Blue" of Guatemala.

There came a third merchant—and we all know who he is—and with his unscrupulous conscience commenced, as always, his adulterations. He added lime and other substances, and a perfectly unknown indigo was offered in the markets. This caused its discredit, the outcome being its total disappearance.

Misery, with all the consequences thereof, did not take long to invade said provinces, and their inhabitants, almost to one-half of them, had to emigrate to other provinces in this archipelago.

This is the history of indigo, known to everyone, and this is the same course which the tobacco industry follows with gigantic steps.

After the close of the monopoly few were the firms who engaged in the leaf-tobacco trade. The following may be cited as the principal ones: Compañía General de Tabacos de Filipinas, La Insular, Baer, Senior & Co., El Oriente, and a few Spanish merchants.

Whilst the leaf-tobacco trade was in such hands, everything went on nicely. The Philippine tobacco began to get a name all over Europe and almost completely secured the Far Eastern markets, frankly and loyally competing with tobacco from Habana, Lataquie, Virginia, Kentucky, Maryland, and other countries.

Then came the shrewd indigo merchant, who never starts but when an article is known and has an extensive good name, and then with his adulterations and frauds commences business without fear of making mistakes.

Thus he commenced his gatherings of leaf tobacco in the Cagayán Valley on a small scale at first in the same way as white ants make their first appearance in a sumptuous building until they finally get hold of it and demolish it.

The provinces of Cagayán and Isabela produce an average yearly yield of not less than 250,000 quintals, the value of which varies between 2,500,000 and 3,000,000 pesos.

It would seem at first sight that with such a handsome capital annually received by the inhabitants of both provinces, which do not reach 300,000, they ought to enjoy general prosperity. Nothing of the kind; said provinces are at present utterly poor.

The aforementioned unscrupulous trader, called a Chinaman, has secured all the trade the native needs to avail himself of and furnishes it to him at fabulous prices.

Should another merchant coming from a different quarter engage in the same business it does not take them long to overthrow him, and in this way complete monopoly is exercised.

They are also the sole money lenders, whose usual interest is that of 1 peso for a peso, and considering that they grant loans for six months at the most they earn an annual profit of 200 per cent.

There is even more. When the loan is made in goods they are in the habit of increasing the values to 25 per cent higher than the selling price, making barter compulsory, or to deliver tobacco for the total value of goods received, such delivery to be made on the 30th day of June at the latest.

Thus it results that the planter is compelled to dispose of his tobacco without proper curing, and, as a consequence thereof, the tobacco is raw, has a bad color, and is overcharged with nicotine, and in such a condition it is brought to the market.

Besides the great quantity of leaf tobacco obtained by them through the above means, they purchase in considerable proportion, competing with all the firms engaged in this business.

The class selected by them is the "4a Superior," a large leaf, a poor wrapper, but of good quality, and they pay for it higher prices than set down in the schedules.

This tobacco obtained from the grower by means of flattery, offering him a deceitful profit, is used by them for mixing with the higher classes, thus doubling, or even trebling, the purchase price.

The lack of harmony which exists among the important firms, and the bitter competition made by Chinese, has given as a result that the leaf is classified or appraised too soon, the weed not having, therefore, been properly matured. The tobacco growers, on being pressed to dispose of their crops, arrange them carelessly; hence the diversity of class and color which is often found even in the same bundle.

The carelessness in the preparation of leaf tobacco, as well as the numberless causes we have described above, have given us the fatal result that the consumption of Philippine tobacco is already limited to our own home.

Tobacco being an article which should be offered for the market properly classified, we claim that it should be subject to regulations in its appraisal. In order to achieve this, we consider it as of absolute necessity that all tobacco dealers should form a guild, prepare a code under the laws of commerce, and appoint a tribunal formed by several of the best-known expert appraisers, to decide all matters connected with the legality of appraisals made.

The tobacco industry in the Philippines consists of more than 300 factories, located for the most part in Manila. Out of this number only four gather a portion of their stock in the Cagayán Valley, being compelled to complete in Manila the balance of the leaf tobacco they need for their own consumption. This fully shows that more than one-half of the crops is gathered in by Chinese dealers, and as they have the monopoly of the leaf tobacco in Manila they impose on purchasers, who have to submit to their classification and consent to having tobacco from Cagayán and Isabela mixed with leaf from Barili, Abra, and other places, as we have often witnessed.

The classification offered in this city is really scandalous, or, to say it more properly, an iniquitous robbery is being committed. As previously stated, the "4a Superior," which is a leaf of good quality, although broken, is mixed with the superior classes, above all with class "1a," which is of the same size.

The first-class tobacco is formed of whole leaves, clean and of a uniform color. The package or bale, as it is called here, weighs from 2½ to 3 quintals. The average quintal consists of approximately 80 hands of 100 leaves each, and, taking as a base the package of 2½ quintals, we obtain a total of 200 hands, which multiplied by 100, which each hand contains, would give us 20,000 leaves. As the leaves consist of two

halves divided by the stem, it is evident that each half gives us at least one wrapper, in which case each package should afford as a minimum 40,000 wrappers.

However, you may well be frightened, but there is no exaggeration in what we are about to tell you.

Any factory turning out at present from 40,000 to 50,000 cigars of special brands needs to open at least 20 packages of 1a, which if properly classified should afford 800,000 wrappers. It may be seen, therefore, that the tobacco industry can not stand this a long time.

We are on a slippery road which leads us to a precipice unless we try soon to put a stop to this.

The tobacco industry in the Philippines is the leading one in importance, for the many millions invested therein, the large tracts exclusively producing tobacco, the many thousands of workmen who earn a living from it, and finally because it is the most important revenue obtained by the Government. We consider that these are matters of such importance that our voice will echo sufficiently so that it may be heard by those persons who more or less are affected by everything relating to tobacco matters.

We are hopeful of having discovered a scheme which, if carried into practice, will yield great results, and by not publishing it herein we only take the precaution not to show our enemy our plans of attack and defense.

SAUCES FOR TOBACCO.

Although understanding that any technical person in a cigar factory knows such parts or matters of which tobacco is formed, we do not think it is out of the way to publish one of the most recent analyses.

ANALYSIS.

Inorganic bodies: Ammonia; azoic acid; alum; lime; hydrochloric, sulphuric, and phosphoric acids; potash; magnesia; iron; soda; silica, and manganese.

Organic elements: Nicotine, tabacic acid (malic), citric, acetic, oxalic, pectic, and ulmic.

Neutral compounds which we name *meocianine*, cellulose, yellow and green resins, wax or greasy matter, and nitrogenous matter.

Now, then, the most essential portions of which tobacco is composed being now known, there is nothing easier for an intelligent cigar manufacturer than turning a common cigar into an excellent *veguero*.

As a matter of fact, by means of such sauces, tobacco may be made old; by means of sauces aroma and combustibility may be imparted; by means of sauces it is possible to destroy the germs of the weevil and cause tobacco to keep for a long time; by means of sauces a white ash is obtainable; and finally, by means of sauces manufactured tobacco may be kept flexible and glossy, as if it were freshly manufactured.

It will not be out of place to hint that along with the sauces there should be thermometrical observations of the fever which tobacco must undergo, without which the study would be incomplete.

Few are the industries which, like that of the tobacco, offer a good field to study, or which, through manipulation, their products offer immense profits.

Therefore, being convinced thereof from experience, we urge our friends to go on constantly in their observations and study, assuring them that sooner or later they will attain the benefits we have enumerated.

There would be nothing easier to me than to publish a few recipes which have given positive results; but to include them it would be necessary to be acquainted with the class of tobacco we are to employ (since all tobaccos are not of equal conditions), and my work would be of no avail, besides being, on the other hand, manufacturers' secrets, so we do not feel warranted in giving them out.

We now consider this information as ended, and we should feel well pleased if, by the aid of our observations, we finally succeed in assisting the tobacco industry of the Philippines to again occupy the rank it so justly deserves to be in.

APPENDIX O.

AGREEMENT ENTERED INTO BY THE CIGAR AND CIGARETTE MANUFACTURERS OF MANILA ON MAY 18, 1905, FOR THE PURPOSE OF ENCOURAGING THE PRODUCTION OF TOBACCO LEAF IN THE PROVINCES OF CAGAYÁN AND ISABELA AND TO IMPROVE THE QUALITY AND SECURE UNIFORMITY IN THE SORTING OF THE LEAF.

RULES RECOMMENDED FOR THE GATHERING AND SORTING OF TOBACCO IN THE CAGAYÁN VALLEY AND FOR PURCHASES MADE IN MANILA.

In order to avoid the total loss of the esteem in which Philippine tobacco was held in olden times, ruining planters who earn their living therefrom, injuring more or less everyone concerned in the trade and the tobacco manufacturing industries, it is of the highest interest that all such elements should cooperate to improve the cultivation, preparation, and sorting of the tobacco leaf. The support of the authorities should be solicited, who, by simple measures of good government, enacted for the good of this country, may do a great deal toward causing said product to recover the good name it had when under the monopoly of the Spanish Government, and even for several years thereafter, until planters began to lose the habit to work and thereby the tobacco-producing regions their prosperity.

It is likewise necessary that purchasers should, by mutual accord, establish and observe rules to insure uniformity in their purchases and to compel planters to do their best, as formerly they did, in the work of cultivation and the preparation of the leaf.

It is not our intent to reduce present prices, such as the bad quality of the weed during late years would warrant, for the reason that production would thereby be killed; our main object is simply to encourage production. We therefore recommend that existing prices be kept up according to the established classification which is now more or less strictly accepted as a basis for appraisement.

An agreement should also be made in order to avoid the intrusion of middlemen in purchases made, such persons being as prejudicial as brokers are between the purchaser and the planter, not merely because the commission they charge uselessly enhances the price of tobacco, but also because such manner of appraisement lends itself to hiding the impositions and derelictions of subordinates, and because it hinders the direct dealing between the buyer and the seller, which is the most convenient, proper, and just way to effect purchases.

Something should also be agreed to in order to put a stop to the imposition of the gatherers (acaparadores), mostly Chinamen, who, after buying to advantage and often in exchange for goods of a doubtful quality, trusting that at the present day everything is allowed to pass, sort and pack the tobacco leaf to suit themselves and increase their gains when selling in bulk.

In view of all the above reasons, the purchasers who sign this writing agree to establish the prices and rules given below and engage to observe the same during one year, without prejudice to an extension of time by means of a new agreement.

First. The appraisement of leaf tobacco in sticks, counted or in bulk, is absolutely suppressed, such appraisement to be made only by hands (manos) of 100 leaves, well arranged and pressed.

Second. Purchases to be made solely from planters under a fair appraisement by classes and at the following prices:

Bale of—

Primera.....	P14. 25
Segunda.....	9. 00
Tercera.....	4. 12½
Cuarta superior.....	2. 00
Cuarta corriente.....	1. 50
Quinta.....	. 50

Third. No brokers or middlemen of any kind whatsoever are to be employed, and no lots are to be purchased at lump prices, not even from planters themselves.

Fourth. The "tips" (rewards) which have been given in late years to the planters, as well as payment for the transportation of tobacco delivered for appraisement in the drying warehouses, are to cease.

Fifth. As far as possible, purchasing in Manila is to be avoided. Should any of the firms signing this agreement be in need of leaf tobacco, notice should be sent to all the other firms and, in case it should be convenient, the other firms will furnish the tobacco needed, and if not convenient the purchase should be by appraisement, selecting at least 20 per cent for each class of leaf.

SUGGESTIONS FOR IMPROVING THE CULTIVATION OF THE TOBACCO PLANT IN CAGAYÁN AND ISABELA.

The government to advise planters as follows:

1. Not to plant tobacco in too poor or worn-out lands.
2. An annual rotation of seed between the different municipalities, such as Echagüe-Cabagan; Angadanan-Tuguegarao, etc., in order to avoid degeneration of the plant.
3. Fields to be previously well prepared for planting, the earth loosened so as to expose it to the influence of the atmosphere and the rays of the sun.
4. To keep the fields well cleaned.
5. To see that seed beds or nurseries are in perfect condition and sprinkled with a solution of ashes and water which kills all insects or larvæ.
6. Transplanting to be carefully done, selection being made of sound and vigorous small plants having well developed and uninjured roots, so that they will catch and feed well.
7. Plants to be well hilled.
8. Plants to be pruned in time so as to limit the number of leaves each one should produce of perfect condition and quality.
9. Leaves to be cut off when the right conditions are reached.
10. To avoid putrefaction which would weaken the cellular tissue of leaves, thereby losing elasticity, leaves should, without loss of time, be strung on sticks.
11. Such sticks should be hung up in a well-ventilated drying warehouse, not allowing the rays of the sun or night dew to enter therein.
12. To strictly prohibit that such sticks be hung up on bamboos in the open air.
13. As soon as the leaves have dried, sticks should be formed into mandalas of good size and well covered up so that fermentation may set in, and they should be turned over at least once.
14. Classification to be made under the old estanco system (under Spanish Government monopoly).
15. That the purchase of leaf tobacco strung on sticks be prohibited

APPENDIX P.

MEMORANDA FURNISHED BY COMPAÑÍA GENERAL DE TABACOS DE FILIPINAS REGARDING AMOUNT AND QUALITY OF TOBACCO LEAF RAISED IN PROVINCES OF CAGAYAN AND ISABELA.

ISABELA AND CAGAYÁN TOBACCO LEAF.

1. It is not possible to state accurately the annual production of leaf tobacco in the provinces of Isabela and Cagayán. It depends upon the weather; if it be favorable an abundant crop is the result, otherwise it becomes diminished to one-half or even one-third. However, taking five successive crops as a basis, an average annual yield of about 200,000 quintals may be estimated.
2. Proportion of cultivated tobacco that can be utilized:
 - (a) For wrappers, 10 per cent; only one-half of 1 per cent being suited for fine-grade cigars.
 - (b) For fillers and (c) For cut tobacco, etc., 90 per cent.
3. The proportion of (a), (b), and (c) used in manufacture is 35 per cent for (a) and 65 per cent for (b) and (c), or filler and remnants. Of the 35 per cent only two-thirds can be utilized.
4. The Compañía General de Tabacos de Filipinas has done everything possible and has used all available means to improve the quality of tobacco, instructing the planter as to the manner in which he should cultivate it, and even furnishing thermometers exclusively for tobacco in order to gauge the temperature it should undergo in its various fermentations, and rejecting, when presented for sale, tobacco not in proper condition or which had been badly handled. Thereby some improvement was obtained both in cultivation and curing, but within the last few years, during which local consumption has increased, due perhaps to the greater number of smokers, and since the buyers commenced to purchase the leaf in any condition, without proper seasoning or curing, including purchases of the uncut leaf in the field, the planters, seeing that they were paid alike whether they took proper care or not, became careless, and, disregarding the quality of the leaf, sought only to make money. We are now suffering the consequences by the ill-repute of Filipino tobacco in all the markets of the world. Those who have contributed the most to this great injury have been the Chinese, who do not conform to commercial usages, and who have discredited and demoralized this market.

5. The means of transportation are very deficient, due to the poor condition of the highway and the lack of tributary roads. There is but the one waterway available, only in the rainy season and when the rivers overflow.

The means of transportation could be improved by the construction of a railway from Echague to Aparri, and immediate results could be obtained by a good dredging of the entire length of the river, so that it might be navigable in all seasons of the year.

6. There is great difficulty in meeting the demand for the different "claro" and "oscuro" colors through scarcity of wrappers. The demand for "claro" colors is greater day by day, for where formerly in the Philippines "maduro" was solely sold now only "claro" is demanded. There has been much decrease in the production of light-colored, clean, nice leaves of fine texture since the discontinuance of the monopoly. Since that time tobacco-leaf culture began to be neglected, and especially has this been the case since 1900, owing to the rise in prices and to local competition.

The methods of cultivation employed by the independent planters have greatly depreciated, and the advice and perhaps the cooperation of the provincial authorities are needed to better the situation.

APPENDIX Q.

CULTIVATION OF TOBACCO.

[By Clarence W. Dorsey, soil physicist, in charge of soil investigations. Taken from Farmers' Bulletin No. 5, Bureau of Agriculture.]

INTRODUCTION.

In the present paper an effort will be made to describe briefly the methods employed in modern cultivation of tobacco, to treat of recent successes in growing tobacco under shade in the United States, and also describe the conditions of tobacco culture in Sumatra, with especial reference to the industry in the Philippines.

In the preparation of this paper the bulletins of the United States Department of Agriculture relating to the cultivation of tobacco have been very freely used, and much information has been obtained from the gentlemen connected with the leading tobacco companies in Manila.

Philippine tobacco has long been held in high esteem in the Orient, and Manila cigars maintain the same rank in eastern countries that Habana cigars occupy in Europe and America. To-day tobacco stands third among the exports from the Philippines. During the year 1900, according to the Monthly Summary of Commerce and Finance of the United States, 11,743,336 kilos of tobacco, valued at \$1,906,436 United States currency, were exported from the islands. Tobacco was introduced into the Philippines shortly after the Spaniards took possession, seed having been brought from Mexico by Spanish missionaries. Little effort was made by the Government to restrict or encourage the cultivation of tobacco until 1781, when the cultivation and sale of tobacco was decreed a state monopoly. While this monopoly was in force the natives in the large tobacco districts of Luzón were subjected to great inconveniences and even hardships. Each family was compelled to grow 4,000 plants and deliver the entire crop to the agents of the Government. None of the crop could be reserved for the use of the planter, and a fine was imposed when the crop was short. After the crop was harvested the leaves were selected and bought by Government agents, and bundles of inferior leaves were rejected and burned. Native houses were searched for concealed tobacco and fines and penalties imposed on those who did not comply with all the requirements of the monopoly. Early in the nineteenth century many riots and disturbances arose out of the difficulties in meeting the harsh provisions of the law.

In the Visayan and southern islands the monopoly was not in force, but tobacco raising was not generally practiced until the middle of the nineteenth century. The profits from the monopoly annually amounted to several million pesos, but was finally abolished on December 31, 1882. Since that time the cultivation and manufacture of the crop has been in the hands of private individuals and companies. At the present time the greater part of the tobacco grown in the islands comes from Luzón. The products of Isabela and Cagayan provinces are the most highly esteemed, while considerable quantities are produced in Unión and the Ilocos provinces, on the west coast of northern Luzón. Nueva Ecija formerly raised a fair grade of tobacco, but the cultivation has fallen off in late years. The writer saw in Batangas Province many small fields that would aggregate many hundreds of hectares of tobacco. This is largely used for local consumption and is of inferior quality. Tobacco is grown in small quantities in the Visayan and southern islands, the greatest amounts probably being produced in Masbate, Tablas, Panay, Bohol, Leyte, Siquijor, Negros, and Mindanao.

Philippine tobacco is nearly all utilized in the manufacture of cigars and cigarettes, and finds a ready sale in Spain (which consumes more than one-half of the total production), England, Hongkong (where it is shipped to Asiatic ports), and British East India. During the year 1900 these countries bought more than seven-tenths of the entire crop. The agreeable aroma and flavor of the better grades of tobacco grown in the islands have won for it a high place among the fine cigar tobaccos of the world, and for a long time it ranked next to the celebrated Cuban tobacco. When we consider the desirable qualities of Philippine tobacco with the imperfect cultivation, curing, and fermentation it receives and the improvements and advances that have been made in other tobacco countries, it becomes at once evident that every care and attention should be given the crop to enable it to regain its former position, if not to make it superior to the finest tobaccos grown in the world.

The markets of the United States offer every inducement for the improvement and spread of the Philippine tobacco industry. This becomes all the more evident when we consider the vast sums of money annually expended by the United States for foreign tobacco. During the year ending June 30, 1900, the United States, according to official statistics of the agricultural imports of the United States, paid for Cuban tobacco \$7,615,991, United States currency, and \$4,569,271, United States currency, for Sumatra tobacco. During this same year the Philippines exported to the United States only a few hundreds of dollars worth of tobacco, or less than one-hundredth of 1 per cent of the tobacco importations of that country. While it may be true that Philippine tobacco may never entirely supplant Cuban and Sumatra tobacco in the United States, there is certainly every inducement to encourage and improve the industry until modern cultural methods have realized to the fullest extent the highest perfection of the crop.

REQUIREMENTS OF THE TOBACCO MANUFACTURER.

In the manufacture of high-grade cigars certain essentials are necessary. The tobacco must burn smoothly and freely, with a pleasant taste, not rank and strong, nor too mild. When the taste is pleasant, not sharp and bitter, the aroma will invariably be good. The cigar that possesses the above qualities will meet with a ready sale. The wrapper of the cigar, as distinguished from the filler, must be light in color, rich in grain, thin in texture, small in vein and stem, very elastic, and of good burning quality. It should stretch and cover well, have little aroma, and appear well on the cigar. The most desirable sizes are 40 and 45 centimeter leaves, for from such leaves the manufacturer can obtain four cigar wrappers from each leaf, with but little waste. After such a suitable wrapper leaf is grown it must be properly cured, assorted, and classified. The manufacturer can never afford to pay a high price for a bale of tobacco unless he can calculate just how many suitable leaves it will contain. This is one reason why Sumatra tobacco commands such a high value, for so carefully is the grading and assorting done that the manufacturer knows how many cigars each package of tobacco will wrap, and that the color will be uniform. Wrapper tobacco should be uniform in size, color, and texture; then the buyer knows what he is getting and is willing to pay a good price.

For cigar fillers the leaves should be somewhat shorter, of medium body, have a rich brown color, and burn smoothly and freely. The quality of the filler determines the character of the cigar; hence the filler must possess the desirable aroma that distinguishes a good cigar.

Philippine tobacco has some of the above properties and has earned its reputation on account of its agreeable aroma, fine veins, and notable elasticity. This applies only to the better quality of tobacco grown on the alluvial lands of the Cagayan River in northern Luzon. The tobacco grown in the Visayan Islands is coarser, uneven in color, and of greater strength. From the provinces along the west coast of northern Luzon the tobacco is of heavy body, and that grown near the sea has but little combustibility. Its ragged, broken character also lowers its market value. The tobacco grown in Nueva Ecija was formerly considered fine, but the color was a decided yellow, and the taste somewhat bitter.

PREPARATION OF SEED BED.

No step in the cultivation of tobacco is more important than proper care in the preparation and sowing of the seed beds. This work can not be neglected without running the risk of a partial or total failure of the crop. To make good seed beds is a laborious task and requires good judgment in the selection of the location, soil, and in the preparation of the land. To have plenty of good, strong, healthy plants is the surest foundation for a good crop of tobacco, provided they are from seed true to the desired standard. It is very important that in the preparation of the seed bed an abundant supply of seed should be sown and provisions made for a succession of plants; so that when the planting season comes the supply of plants suitable for transplanting will be ample for the purpose and the supply will be maintained throughout the period in which the planting is to be done.

The best soil for the seed bed is a rich, friable, dark, virgin loam or sandy loam. A deep, well-drained soil is greatly to be preferred. The necessary operations of tilling and stirring the soil should precede sowing the seed by several weeks. It is usually customary to thoroughly plow or spade the land and mark the land off into a number of beds surrounded by boards. In the famous Deli district in Sumatra the beds are built up about 30 centimeters high and surrounded by ditches. The size and number of the beds vary, but they are usually rectangular in size, with suitable walks or passageways between them. The beds are highly fertilized with rich manures or with any complete, specially prepared commercial fertilizer. Stable manure or any complete guano may be used. Care should be taken to thoroughly mix the fertilizers with the soil, so that the greatest amount of plant food may be available for the young plants. In the case of old lands it is always advisable to burn the land over to insure safety against grass and weeds. With new land the trouble from such sources is slight, but burning is sometimes practiced to increase the richness of the soil by adding the fertilizing properties of the burned wood. The burning is usually done one week before planting the seed. After burning, the soil is well spaded and all roots and tufts are carefully removed, and the surface made loose and smooth. Then the soil is well watered and the seed, mixed with sand or sifted wood ashes, are nicely spread over the surface. After the seeds are sown the soil should be thoroughly compacted with a heavy roller, and if the soil is at all dry the beds should be watered and kept continuously moist, but not wet, until the plants are set out. It is best to plant new seed beds at intervals of every few days, in order to be sure to always have fresh plants of proper size on hand when the time comes for transplanting. On a commercial scale it requires about 45 grams of seed to sow a bed 1 hectare in size. In the Cagayán Valley the seed is sown in the beds during the latter part of September and the first weeks of October, while the transplanting is made during the early part of December. This period of planting the seed bed varies slightly in the different parts of the archipelago on account of the varied climatic conditions; but practically all of the transplanting is done during the month of December, as experience has shown this to be the best month for such operations. In many parts of the Philippines it will be found advisable to construct some sort of cover for the seed bed to protect the seeds and tender plants from the intense heat of the sun. A suitable shelter made of straw, cogon grass, or nipa palm, raised about 1 meter above the ground, will suffice. It should be so arranged that the covering can be put close together or spread out to regulate the amount of heat received by the small plants. After a few weeks this covering can be removed altogether and kept to serve for another bed. White ants and sometimes caterpillars and worms are destructive in the seed beds, and should be removed by hand or by mixtures of poisonous substances and water known to be effective in removing such pests. When the plants are drawn for transplanting great care should be taken to secure as much root as possible. It is usually considered the best practice to carefully wash away all particles of the seed-bed soil that cling to the roots, for the plants live and grow better when the roots are perfectly clean.

SELECTION OF THE LAND.

Few, if any, plants are so easily modified as tobacco by climate, soil, elevation, nearness to the sea, and different methods of cultivation. This is plainly demonstrated by the rapid changes which take place in the character of the leaf, flavor, aroma, and special fitness for the varied uses and for different markets in introducing seed of well-marked varieties into new districts. Each new class of soil, materially aided by climatic conditions, gives peculiar qualities to the cured leaf as to its flavor, texture, color, etc.

It has long been recognized that tobacco grown near the sea or large bodies of salt water has poor combustibility, and, while the taste may be sweet, it commands a low price for the manufacture of cigars on account of its poor burning qualities.

In tropical countries the favored locations for tobacco cultivation are the interior alluvial valleys. In such places the soils are usually deep, porous, easily stirred and cultivated, and the periodic overflow of the rivers adds new fertilizing elements to the soil, already rich in plant food. The famous tobacco districts of Isabela Province belong to this class, as well as the valley lands of the provinces of the west coast of Luzón. In the Cagayán Valley the quantity of rainfall, according to two years' observation ending in 1897, is much less than at other points in the interior of Luzón, or in the southern islands. The total amount of rainfall during the year is 700 mm., the greater part of which falls during the period from June to October. During the months of January, February, and March, when the tobacco is growing and ripening, the rainfall does not exceed 20 mm. Comparing the climate of this region with the Deli district in Sumatra, it will be found that the climatic conditions of the latter region more closely resemble those of southern Luzón and some of the southern islands. The rainfall is distributed over the entire year, while the greatest amounts are recorded in October, November, and December. The total amount received during the year averages more than 2,000 mm. The stations in the Philippines, where

equivalent or greater amounts of rainfall are recorded, are Bolinao, in Zambales Province, Albay, in southern Luzón, La Carlota, in western Negros, northeastern Mindanao, and Vigan, in Ilocos Sur Province.

In Sumatra, where the best results with tobacco have been obtained, the soils are mainly volcanic in origin. Where the finest and silkiest tobacco of a rich brown color is grown, the soils are clayey, while the lighter colors of fine cigar-wrapper tobacco are grown on loamy and sandy soils, with clay subsoils. In the clayey soils of the Deli and Langkat districts, tobacco can often stand droughts of three weeks and longer, without much injury, but in these districts the frequent light showers are of great value to the growing crop. Experience has also shown in Sumatra that the best results have been obtained on land situated from 8 to 16 kilometers from the ocean, while tobacco plantations high up on the mountains have had poor success in growing fine, silky wrapper tobacco. The lowlands, free from frequent inundations and not too near the sea, with soils consisting largely of fine sand and silt, and rich in organic matter, have given the best results.

In the Philippines many fine bodies of interior valley land, with rich, loamy soils, can be found where tobacco cultivation has not been practiced, and it is on such tracts of land that its introduction is especially recommended. Mindanao possesses many large valleys with alluvial soils that could undoubtedly be made to produce a fine quality of tobacco. The soils of the large valley between Manila and the Lingayén Gulf should be carefully tested with seed from the famous tobacco districts of the world, to determine its fitness for growing tobacco. New areas are constantly being tried in various parts of the world, where tobacco growing was unknown, and the success of so many of these should prove an incentive to greater efforts on the part of the Philippine planter to enter into competition to furnish a goodly portion of the world's supply of this profitable crop. Only very recently the cultivation of Havana tobacco has been introduced into Annam and Tokin, in French Indo-China, and a portion of the crop exported to Manila. Such an example shows what may be accomplished by careful experimentation in the field of new crops, and should stimulate the energies of farmers in every part of the archipelago.

CULTIVATION OF THE CROP.

Since the profits of growing tobacco depend largely on the planter's ability to produce a leaf of such qualities as to make it desirable to the manufacturer, it follows that the greatest care should be exercised in the cultivation of the plant. Prior to the work of transplanting, the ground should be thoroughly plowed or spaded to a considerable depth. Deep cultivation is advisable on any character of soils, as it readily allows the free percolation of rain and air through the soil, and increases the amount of available plant food contained in the soil, and helps to conserve the moisture, especially in times of drought. If only small amounts of manures are to be applied, it can be spread broadcast after the first plowing, but if large quantities of stable or straw manures are used, it is best to plow them in several weeks before the time of setting out the plants. After plowing, the land should be harrowed with a disk harrow, and then with a smoothing harrow. In Sumatra, where all of the operations are performed by Chinese coolies, the work of breaking the soil is performed by an implement called the "tyankol," a sort of spade, which takes the place of the plow, while the work of smoothing and reducing the soil to a fine state of tilth is accomplished by hoes and iron rakes. Either by plows and harrows or by spades and rakes, the field should be made loose and smooth before transplanting, or the young plants are at a disadvantage from the very start. The writer has seen many fields, especially in Batangas Province, where young tobacco plants were attempting to grow in a field filled with the hard clods of intractable clay soil. Such methods are to be condemned, for plants as tender and delicate as tobacco can not make a good growth in improperly prepared fields.

Often it will be found advisable to water the field before the work of transplanting begins. Transplanting can be done by hand or by a transplanting machine. Such a machine can only be used on level fields free from stumps, stones, or large quantities of undecomposed vegetable matter. By its use more satisfactory results are obtained, and large areas can be planted at much less expense than by hand planting. A transplanter is a two-wheeled machine, drawn by horses or mules. One man drives, while two boys drop the plants. Plants are set with mathematical regularity at any distance desired. The machine is so arranged that a supply of water is furnished at the time of planting, so that the plants are thoroughly watered while being placed in the soil. Machines of this character are widely used in the United States for setting out tobacco, cabbage, and tomato plants, with exceptionally good results. Machine-set plants start quicker and grow and mature more evenly than hand-set plants. In fig. 1 is shown the method of transplanting tobacco plants by machine.

α On file in the Bureau of Insular Affairs, War Department.

In Sumatra, where all necessary operations are carried on by hand, the cooly is provided with a plant string the same length of the field. Each end of the string is securely attached to a stick of the same length that it is intended the rows shall be separated. This string is divided into intervals by means of colored string, to show the proper distance of the plants in the row. By means of a sharp stick, holes are made at the proper distance, about 10 centimeters deep and 7 centimeters in width. The holes are watered immediately before the plants are put in. The plants are pulled from the bed when the dew is still on them, and set out late in the afternoon, when the rays of the sun are not very strong. During the daytime the pulled plants are kept in a basket and carefully watered and covered with cloth. About 4 o'clock in the afternoon the cooly drops from the basket a plant beside each hole and, when all of the plants are dropped, commences to plant. He holds the plant in the center of the hole with his left hand, and with his right hand presses the soil around the roots carefully, but firmly, so that he can give the plant a slight pull without removing it.

As regards the number of plants to the hectare, this depends so largely on experience and the character of the soil and the kind of tobacco that special directions can not be given. Close planting in the row tends to develop a very thin leaf, while open planting allows the leaves to grow to a greater size and develops the gums and oils so common to tobacco. For cigar wappers it is usual to plant closely in the row, in order that the leaves will shade each other and develop the fine, thin leaves desired for this purpose. In Sumatra as many as 10,000 plants are set out in a field of 1½ acres (slightly more than one-half of a hectare). For cigar fillers or for tobacco to be used for manufacturing purposes the planting is much more widely separated than in Sumatra.

As it is always desirable to get a uniform growth, great care should be exercised to have each plant live. Replanting should be done as quickly as it is possible to determine where fresh plants are needed. If the soil is moist and showers are frequent watering the plants is unnecessary, but if the ground is dry they should be watered immediately after setting and each day thereafter as long as the plants require it. The quantity of water used is in all cases governed by the condition and nature of the soil. Usually after setting the plants are undisturbed for a period of several days, during which time they are taking root. After this time cultivation should be begun and continued rapidly and frequently until further cultivation is liable to injure the growing leaves. Cultivation at first can be done by a light plow or hoe, but after the plants have reached a considerable height only the hoe should be used, and this very lightly. At this period the leaves furnish sufficient shade to prevent the soil from baking and hindering the growth of the surface roots.

Every effort is made, both through fertilizing and cultivation, to maintain a steady and rapid growth, as any check in the rate of growth tends to thicken the leaf and reduce its elasticity. Stable manures are commonly used, while fertilizers known to be rich in potash are especially to be recommended. In many parts of the United States it is customary to apply specially prepared fertilizers after the plants have attained considerable size to still further stimulate the growth of the crop. In Sumatra the crop is given three cultivations. The second cultivation is made at the time the plants are about 30 centimeters high. Just before the second cultivation the cooly carefully removes the lower leaves, places them around the stem, and packs the loose soil on these. At this second cultivation the suckers are broken off and buried in the same way as the leaves, so as to protect the stem. The work of topping and suckering varies considerably with reference to individual plants and the character of tobacco desired.

Early or low topping is not desirable, as it throws too much growth into the leaves, making them coarse and large. If the plants are thrifty and the weather favorable for growth it is frequently advisable, if thin, fine-textured leaves are desired, not to top the plants at all, but let them produce their flowers and seed pods. If, however, the plants seem weak and it appears that they can not mature the full number of leaves they should be topped by pinching out the "buttons," allowing to remain as many leaves as the plant will be able to mature. When plants have been topped too low and the leaves thicken and curl, a few suckers may be permitted to grow, which will remedy any thickening and curling. By using good judgment in the matter of topping and suckering and making proper allowance as to the soil and climatic conditions the leaves can be grown to almost any thickness that is desired.

From the time the plants begin to grow in the seed bed until they are harvested they should be examined carefully for worms, insect pests of all kinds, and all of the diseases which they are subject to. Worms may be removed by hand or by applications of mixtures containing poisonous substances, such as Paris green. For diseased plants frequently there is no other remedy than to remove the plant and reset other plants. But if the resetting is done too late the small plants never amount to much.

At the time of topping or when the buds have made their appearance a few plants are usually left for seed. Only the best, finest, and healthiest looking plants are selected for this purpose. These are allowed to grow and blossom at their full height. Sometimes all of the leaves are removed, but usually only the bottom leaves are taken off. When ripe the little

balls containing the seed are carefully cut off with a knife or other sharp instrument. The cutting must be done carefully, so that the seed will not fall out. The seed pods are then spread out in the sun, and when thoroughly dried the seeds can be removed. The seed should be cleaned, preferably in a small seed mill, and only the heaviest seed preserved for the next planting.

HARVESTING AND CURING.

More satisfactory results are obtained when the leaves are "primed" than when the entire is cut. By cutting the entire stalk much green tobacco is carried to the shed, since all the leaves never ripen on the plant at the same time. By the system of priming the leaves are taken off the stalk as soon as they ripen and carried to the drying sheds in baskets. Some times half of the leaves are removed and the balance of the stalk cut and the leaves cured on the stalk. Tobacco should never be cut or primed when wet with rain or dew, as this causes the leaves to sunburn and little holes to form, which lowers the value of the leaf. If the tobacco gives promise of being "wrapper"—that is, if it is light green, very sound in leaf, and of desirable size—it should be primed at an early stage of ripening. If, however, appearances indicate that it will prove "filler" tobacco it should be allowed to thoroughly ripen.

In the Cagayán Valley it is customary to make five gatherings of the ripened leaves at intervals of eight days. The native cuts the leaves while they are hot and drooping, collects them on his left arm until the bundle is too large, when it is placed on carts and hauled to the sheds.

The different primings should be kept separate in the shed, so that they can be fermented separately, as each set of leaves from different parts of the plant require different treatment in the subsequent fermentation.

If the soil is rich and the season favorable a second profitable crop can be produced from the suckers. The first suckers, of course, should be broken off from time to time; otherwise they will sap, hinder, and check the growth of the leaves. When all of the leaves have been primed from the original stalk except four or six leaves at the top, two suckers should be allowed to grow from the bottom of the stalk. These will be well started by the time the top leaves of the original stalk are ripe. The stalk should then be cut just above where the suckers sprout, and cultivation should begin at once by carefully placing soil up around the old stubble. The suckers should not be allowed to have more than six or seven leaves each. The growth of these will be rapid, and they will mature early. Usually these are not primed, but the stalks should be cut. In northern Luzón these mature in about three weeks and, in years of great humidity, a second crop of suckers is allowed to grow.

After harvesting the tobacco is carried to the sheds for drying and curing. These shed are usually large enough to hold the crop from a number of small fields. Many different kinds of drying sheds are used, and differences of opinion prevail as to the relative merits of each style of shed. Some are broad and flat, others narrow and tall. The broad, flat type of barn is to be preferred, for the tobacco cures more slowly and better results are obtained. The interior of the shed is so constructed that frequent tiers of rafters and posts allow ample support for hanging the tobacco. The doors and windows should be with the idea of giving very thorough ventilation when open. The manipulation of the barn or curing shed is entirely governed by the condition of the weather and the nature of the tobacco, and no fixed rules can be given. Considerable care and judgment must be exercised in the curing of the crop, and as the conditions vary in each case from year to year, only experience can determine just what is to be done to meet the new problem in the curing shed. The process requires a few weeks, especially if the leaves have been primed. The crop is considered thoroughly cured when the midribs of the leaves are cured; it is then ready to be taken to the packing house for sorting, fermenting, and baling.

Very much of the value of tobacco depends upon the infinite care that is taken throughout the whole period of its production, and thorough consideration of all the details should be shown in the fermentation, grading, and sorting. The fermentation has two purposes. The first is to insure the proper texture, glossy appearance, and color to the leaf. It brings out the characteristic properties of the leaf, which are hardly apparent when the leaf is cut in the field. It is, furthermore, necessary to press the tobacco into bales, so that it can be shipped in compact form. The best results are obtained when bulk fermentation is practiced. In this method, the leaves are assorted into piles, depending on what part of the stalk they have been taken from. Layer after layer of leaves are placed together, until piles of more than 1 meter are reached. The temperature in the pile gradually rises, and frequently thermometers are inserted to determine the exact degree of heat, which is never allowed to become excessive, or the tobacco will be injured. The piles are frequently turned over, to secure the proper heat and regulate the fermentation. No statement can be made as to how often the piles should be turned over, or when this should be done, as it depends upon the condition of the tobacco, especially as to how moist it was when placed in the pile. The leaves from the upper part of the stalk must be fermented

more slowly than the lower leaves; consequently, the piles must be torn down and rebuilt more often. The principal fermentation is one before the sorting as, after the sorting, there are so many grades which have to be kept separate. Often these different grades are re-fermented to improve the quality of the leaf.

In the Cagayán Valley the tobacco is placed into packs of 4 bundles of from 20 to 40 leaves. These bundles are then placed into bales of 80 packs. From 1 hectare an average yield for a number of years is 612 kilos of dry leaves. The tobacco is frequently assorted with the following results: From 1 hectare, 10 packs of superior tobacco, 30 packs of first-class, 40 packs of second-class, 80 packs of third-class, 160 packs of fourth-class, and a number of packs of fifth-class tobacco. The sorting is generally carried on with reference to the colors, absence or presence of spots, length and soundness of leaf. Many divisions and subdivisions are made, according to market demands and the intended use of the tobacco. After the work of sorting and grading has been completed, it is baled into compact bales, when it is ready for shipment.

GROWING TOBACCO UNDER SHADE.

The growing of crops under shade is not a new idea, but was practiced perhaps hundreds of years ago; but the cultivation of fields of tobacco under a light cloth shelter of some character is comparatively recent. The idea of using shade started in the United States in Florida, where in the last few years tobacco cultivation has made enormous advances. It was noticed that in new land, only partially cleared of the forest growth, the plants grown under the scattered trees were far superior to plants not so shaded. From this the idea of artificial shade had its birth, and now large fields, nearly 5 hectares in size, are grown under shade with great success.

In addition to the experiments in Florida, many trials have been made in the State of Connecticut, with equal success. The character and quality of the tobacco was considerably modified and profits greatly increased. It was determined that tobacco fully equal to the finest Sumatra leaf could be grown in the Connecticut Valley on a commercial scale, and the experiments received widespread attention, and large companies have been formed to grow tobacco exclusively under shade. By using the shade, the damage from insect pests is reduced to a minimum, the moisture content of the soils is increased, while the evaporation from the leaves is largely retained, favoring a more rapid and luxurious growth. The shelter tempers to some extent the intense heat of the sun and at the same time readily allows the free passage of even the slightest showers through it.

In figure 2 is shown the general appearance of a tobacco field covered with a cheese-cloth shelter. The field contains about 4½ hectares and is one of a number of large fields of shaded tobacco grown in Florida in 1899. In figure 3 is shown the details of the outside structure of the framework, before the covering was put on. In figure 4 is shown the details of the framework of a shade that was used in the Connecticut Valley in 1901.^a A strong framework is constructed of posts and stringers, that is further strengthened by strong wires secured at each end of the field by strong stakes driven well into the ground. This is covered with some light cloth, such as cheese cloth. By special request, an extra wide (about 5 meters) quality of cloth was made for the season of 1902. The cloth completely covers the framework and reaches to the ground, where it is secured. Gates are provided, covered with cloth, and, in the fields of large dimensions, it is advisable to leave a road lengthwise through the field. Usually, the cloth must be renewed each season, but the framework is built sufficiently strong to last four or five years. The height of the framework is about 3 meters and the average total cost of the shade in the United States is about \$350, United States currency, for 1 acre, 0.4 hectare. In the Philippines such a shelter could be constructed much more cheaply, on account of the cheapness of the framework, for bamboo and bejuco could be substituted largely for hard-wood posts and wire.

The covering completely incloses the field, and should be made so close that few, if any, insects can enter. The protection from strong winds is very beneficial, as the leaves are often torn and lashed when the crop is not protected. Much protection is also afforded from heavy, dashing rains, which would otherwise damage the leaves. The force of the heavy rainfall is broken and frequently the crop is saved when, without protection, it would be badly torn and damaged. So much better results have been accomplished in the United States with the shade-grown tobacco that an earnest plea is made for its introduction into the tobacco districts in the Philippines. Rumors have stated that the attempt is to be made in the Cagayán Valley, but the author can not state how far these experiments have been conducted, or what success has been attained. It will, of course, be advisable to experiment on a small scale, rather than expend any considerable amount

^aThese figures are on file in the Bureau of Insular Affairs, War Department.

of money on materials for shading large fields. A shade of sufficient size should be constructed to determine to what extent the crop will be benefited, and then plans can be made for the erection of larger coverings.

CONCLUSIONS.

From the above, it is at once apparent that the successful cultivation of tobacco requires the greatest care and attention, from the preparation of the seed bed to the final fermentation and baling of the ripened leaves. While anyone unfamiliar with tobacco culture can probably produce a crop, it is to be doubted if it will be of such a character as to command a good price. Judgment, only to be gained through experience in growing the crop, is necessary at so many stages of the growth of the plant that it is doubtful if it is profitable for the planter to undertake its cultivation unless he can engage the services of some one who has had such experience. And yet it is possible for the careful planter, who persistently studies the requirements of the crop, in a very few years to produce tobacco of a quality superior to that grown in regions where its cultivation has been practiced for scores of years. When the Department of Agriculture attempted growing Sumatra tobacco under shade in the Connecticut Valley, the idea was greatly ridiculed by conservative New England planters, who scoffed at the idea of trying to grow a new kind of tobacco. They maintained they had grown tobacco for years, and knew the limitations of the soils and climate and the kind of tobacco best suited to the conditions. It took only one year to convince them that a new type of tobacco could be grown and sold for prices many times in advance of the best prices ever obtained for the finest of the old standard crop. And this has been the experience of tobacco cultivation the world over. Experiments have been tried in tobacco growing in new areas and in a few years, in many cases, have entirely revolutionized the agriculture in certain districts. New areas are constantly being opened up, with results that are very gratifying, even to the most sanguine experimenters.

In the districts where tobacco cultivation has been carried on for years, no one should be contented with the results obtained, but should by constant experimentation with new seed and improved cultivation endeavor to improve the quality of the crop. Here in the Philippines it is commonly stated that the tobacco grown to-day is inferior to that formerly grown. This is greatly to be regretted, and it should be the especial effort of every planter to produce tobacco not equal to that grown a few years ago, but far superior to the finest crops that were ever harvested. The tobacco markets of the world willingly pay, and pay well, too, for tobacco of a superior quality, whether it is to be used for cigars, cigarettes, or manufacturing purposes. The trade does not pay well for common tobacco, for anyone can grow coarse, common tobacco of low grade. The quality of the tobacco must be superior to that formerly grown to command a good price, for tobacco consumers are becoming more fastidious and constantly demand better goods for their money.

The author is of the opinion that the Philippine Islands can and should produce cigar-filler tobacco that is fully equal to the finest product of the famous Vuelta Abajo district of Cuba, and a cigar wrapper equal to Sumatra tobacco. With careful attention to soil and climatic conditions, it is believed districts can be found that will raise tobacco similar in flavor and aroma to that grown in the best districts of Turkey. These results can only be obtained, however, by persistent, intelligent, well-directed efforts on the part of the planter.

Philippine tobacco to-day does not occupy the position it should, and every planter or company engaged in its cultivation should strive to place it on the high standard it deserves.

APPENDIX R.

REPORT BY INTERNAL REVENUE AGENT BROWN ON THE TOBACCO SITUATION IN THE PROVINCES OF CAGAYAN AND ISABELA.

Manufacturers of cigars in these islands, dealers in the islands in native leaf tobacco, consumers in the islands of Manila cigars, manufacturers and merchants abroad who have handled in past years Philippine tobacco, consumers abroad of Manila cigars, and the Filipino, whether grower or tobacco merchant, all are of one mind on the tobacco situation. Philippine tobacco has gradually sunk to a deplorable level. Reports come from all sides that a Manila cigar is no longer the peer of the celebrated article produced in Cuba, the Habana cigar, and the tobacco of the Philippine Islands, which used to be prized all over the world, is now accepted with suspicion or in some cases is looked upon with indifference. Nature has most bountifully favored this country with rich and fertile lands

and has given her products, hemp and tobacco, a high and distinguished place in the markets of the world. Hemp still stands in its high place, but the fragrant, fine, high-grade Philippine tobacco seems to be near the point of being termed a thing of the past. It is at low ebb, staggering and about to fall, and a report to-day on the situation should deal only with the causes which have led up to the lamentable state of affairs, and what seems to be a remedy.

Tobacco is grown on both sides of the Río Grande, and the lands cultivated begin at Alcalá, Cagayán, and extend to Echagüe in the province of Isabela. This stretch of land varies in width from a few miles to perhaps 10 miles. It is not considered to be profitable to cultivate tobacco farther north than the point Alcalá as the effect of the sea breeze is felt. There is a small quantity, however, raised at Gattaran; but it is put to local uses solely. The farther south tobacco is grown the better its quality.

The tobacco lands of Cagayán are owned almost wholly by natives of the province, and in Isabela the area owned by them greatly exceeds that in the hands of Europeans. All of the lands owned by whites are situated in the province of Isabela, the *Compañía General de Tabacos de Filipinas* being the largest holder. The fact that the native owns the greater part of the tobacco land is an important one and bears on the situation directly.

The area of the low lands, lands which are yearly flooded, on which tobacco is grown, greatly exceeds that of the high lands, or lands which border on those which are under water during the inundations. The low lands which are so richly and generously replenished by nature through the floods produce the best tobacco and the native grower who cultivates tobacco on those lands starts off every season with all in his favor. On the high lands the European planters get good, first-class tobacco, but this the native rarely can obtain. The high lands by some planters are stripped bare of all timber, while other planters prefer to leave clusters of trees here and there throughout the plantation. The tobacco is a grateful plant and responds to every attention and the additional moisture brought to it by natural means as in the plantations in which trees are left standing shows itself in a slightly better quality of tobacco than that received from the land kept clean of everything. In virgin lands it is the custom to grow tobacco on one part one year, the following year on the next adjacent part, the third year on a more distant division, and on the fourth year again planting on the first part. Allowing the soil to rest and recuperate in this way, tobacco as fine in quality as that grown on the low lands is obtained.

As the greater part of the tobacco area of Cagayán and Isabela is low land its value for the cultivation of tobacco is to-day equal to what it was in the past.

In sowing tobacco in seed beds a fair amount of care is exercised by the native grower and in transplanting some attention is bestowed, but after that point the plant does not receive the treatment it needs. Weeding, freeing of the plant from the bug which will thrive on it if left alone, and other attention, all is done in a thoughtless and careless manner.

In place of harvesting his tobacco when the leaf is neither too green nor too ripe, the native grower cuts his plant without regard to the rules that were observed by his forefathers and which are bred in his bones. He simply cuts or gathers whenever it suits him, knowing that he can sell.

In the preparation and classification of the leaf the fancies of the native grower about the sale of his crop crowd out of his mind all thoughts about quality. In this respect he is free of care and worries not. It has been claimed that if the fermentation of the leaf is well and properly done it will result in a fine texture and general good appearing tobacco, but white growers assert that tobacco neglected in the fields can not by any process of fermentation be made to appear the same as the well-cared for plant. Tobacco from the time of planting to the time it is put up in bales needs great care. In Cagayán and Isabela this is denied the plant by the native grower and the result is that all are forced to admit that Philippine tobacco is slowly and steadily falling in the estimation of those who for years have prized it. By their careless and neglectful methods of cultivation of tobacco in Cagayán and Isabela the natives are simply taking the bread out of their own mouths.

The transportation of tobacco from the farms to the warehouses of the buyers is to-day carried on in the same way as it was carried on in the days of the government monopoly, by carabao carts or by sledges. Before and after 1882 the growers at their expense made delivery to the buyer, but in late years this expense has been borne by the buyers. There is not much complaint of lack of roads, but of course good country roads all through the tobacco country would be a benefit both to the grower and buyer. Taking a bird's eye view of the Cagayán Valley, one sees dotted near the banks of the Río Grande, all the way up from Alcalá, the storage warehouses of the tobacco buyers. The representatives of the Manila dealers in charge of these employ native "aforadores" on commission to buy for them, and out of the commission the "aforadores" provide transportation to the warehouse of the tobacco bought. Transportation facilities on the Río Grande after the tobacco buying, August to December, are fairly good. The river is high at that season of the year, and large cascoes and barges are easily navigated. As Cagayán and Isabela tobacco goes

through a curing process at Manila and is stored four or five years sometimes before being used in the factories, time is not a very important factor in the question of transportation of tobacco in the provinces where it is grown. From Alcalá to Tuguegarao there is a fine, well-built road, and over every stream or gully a strong, well-constructed bridge has been put up.

The following prices are paid for the transportation of tobacco on the Río Grande in the provinces of Cagayán and Isabela:

Echague to Ilagan, about ₱0.80 per quintal; Ilagan to Aparri, about ₱0.53 per quintal; Tuguegarao to Aparri, about ₱0.40 per quintal, and by steamer from Aparri to Manila, about ₱0.35 per quintal.

It is not believed that the transportation facilities affect tobacco very greatly. Under the Spanish Government as much as 4 pesos were paid for the shipment of one bale from Aparri to Manila. Transportation is not the cause of the trouble.

The real causes of the situation should be laid at the doors of the native growers and the Chinese dealers in tobacco. The native at one time used to care for tobacco well and produced an article of good quality; to-day he is able to cultivate it as well as before but does not do it. Up to 1882 the Filipino planters of Cagayán and Isabela grew tobacco at the muzzle of a gun. Every family was under the orders and supervision of a government employee and the worker who disregarded the rules laid down for operations in the fields generally had administered to him a few smarting cuts with a bejuco. This slave driving resulted in first-class tobacco. The harsh restriction under which the native had cultivated tobacco having been withdrawn in 1882, the government monopoly no longer existing, notable reaction set in. From that date till to-day the methods which have been adopted and the results which have been obtained by the Filipino tobacco grower have been gradually sinking to a low standard. In 1900 the keen competition and the rush for the crops of Isabela and Cagayán and the high prices paid the planters have caused them to argue with themselves that it pays better to grow tobacco without regard to the best methods. From 1883 up to the present time there has been no restriction on the grower; he has been free in his fields, and the inferior quality of his product is the result. It has been shown that from the time of sowing seed he has been careless and neglectful, and therefore to the Filipino planter must be attributed the present state of affairs.

However, before leaving the part played by the native it should be stated that to produce better tobacco he must work hard, very hard, in his fields with his crop, and from the time of sowing in seed beds he must be unceasing in his attentions. Considering the enervating climate, the fact that tobacco raising requires the efforts of the planter for more than half the year, that the native thinks but little of to-morrow, it is not to be wondered at that he has preferred to let things swing their own way.

The other cause or evil of the situation is found in the Chinese merchant who deals in leaf tobacco. The Chinaman is one of the best business men in the world—the world admits that. The natives of the Philippines like dealing with the Chino. Amongst the semibarbarous Moros of Mindanao the Chino is found driving bargains, buying and selling. The Chinaman panders to the native and to attain his object in business is often groveling. He plays upon the native and feeds the native's craving for money, and if he is allowed to continue as he is doing in Cagayán and Isabela he will probably cripple in a dangerous and serious way the native planters as a body. The Chinese merchant handles tobacco simply as an article of commerce. It is true many of them know good tobacco, but their one object is money. If ₱5 profit can not be made by them on a bale then 5 cents will suffice. In buying, the Chino visits the ranchos and offers money or merchandise for any class of tobacco, and if not ripe, he will buy the leaf as it stands in the fields. Every year these Chinos get more native growers in their clutches, and that this is a real danger to the reputation of Cagayán and Isabela tobacco all agree. Among all the white buyers in the valley representing the Manila houses there is harmony and competition can scarcely be said to exist. All have one object in view, to buy for their superiors in Manila good tobacco, paying therefor a good price. By all of these Europeans bad tobacco is rejected, but this plan is not adopted by the Chino. All is grist that comes to his mill. Tobacco good or bad to him means money. It can not be said that the Chino as a merchant is one who wishes something for nothing. His methods are in a business sense legitimate, but in another broader sense his operations are not fair. He himself produces no tobacco and is hurting greatly those who do produce.

The two causes then of the depreciated quality of Cagayán and Isabela tobacco, in the opinion of the undersigned, are the native grower, his slothfulness and callous indifference, and the Chinese merchant by his hoggish buying methods. If allowed to go hand in hand much longer these two will prove a disease to the whole industry.

To uplift the native grower it will not do to adopt harsh methods. Newspapers or other printed matter will not produce the desired results. The native respects authority, and subordinate officials in the provinces unless supported strongly by their superiors find difficulty in discharging important duties and achieving results, and it is respectfully sug-

gested that the provincial governors be instructed to educate the native planters and that the provincial governors receive their direction and instructions from the honorable governor-general. In submitting this suggestion it is respectfully stated that in the middle of June, while passing through the tobacco country, it was specially noted that the feeling among the growers at Alcalá, Amulung, and Iguig concerning the delay in the opening up of the buying of this season's crop by the large buyers of Manila almost approached alarm. This feeling was by no means openly displayed, the native we well know is stoical, but to one who understands his nature and who observes him on all occasions, there was no doubt of the workings of his mind in this matter. This is a significant point. An American seeking information or light on a subject of high importance to the welfare of the Filipino from the native himself is not very successful: here is when the interest of a native provincial governor can be aroused.

The Manila manufacturers and dealers in leaf tobacco have united and agreed unanimously to reject all tobacco offered for sale by the growers which is not classified, and have agreed upon a tariff of prices. This is a step in the right direction and should bring the native growers to their senses and also should tend to counteract the methods of the Chinese dealer. The provisions of the internal-revenue law which require dealers in leaf tobacco to keep a proper record of their transactions are being enforced in Cagayán.

The efforts of all the white planters in the Cagayán Valley to improve the quality of tobacco are confined wholly to their own plantations. Under competent supervision tobacco is well cared for. They have confined themselves chiefly to discussions, to talks and sympathizing one with the other, but lately prominent gentlemen of Manila, manufacturers, have put their heads together, and have resolved to reach the native growers with good sound advice and instruction on the culture of tobacco. As the tobacco lands are in greater part in the hands of the natives these exertions are praiseworthy. This fact of the greater part of the lands being in the hands of the native is also an argument in favor of steps being taken by the government through the provincial governors.

Before concluding this report it is deemed of importance to call attention to the demand which is growing all over the world for a light-colored cigar. The tobacco of the Philippines, grown in the open, is not suitable for light-colored cigars, but this should not be considered as a danger. The light-colored leaf is one which has been cut before it was ripe, and which has not been well cured. Sumatra is supplying this fine, silky, light-colored leaf, and is a competitor of the Philippines; but the supply is far short of the demand, and the press of the United States have undertaken to educate the smoker on this point. The Tobacco Leaf, published the following on March 8, 1905, and again in May it was republished in the columns of the same paper:

"Probably there is not one smoker in a thousand who would not be surprised and in fact incredulous if he were told that the color of a cigar is absolutely no guide to its strength. Yet such is the case, and a fact well known to cigar manufacturers and importers. The belief of smokers that cigars of a dark color are strong and those of a lighter shade are milder is, in point of fact, as fallacious as it is general. This is but one of the many delusions harbored by consumers of tobacco, and which practical cigar men have smiled at and indulged from time immemorial.

"But of recent years the inclination of smokers toward light-hued cigars has assumed the proportions of a 'craze' and the producers are finding much difficulty in meeting the demand. The manufacturers and Cuban raisers would now gladly correct their own error; but, after having carefully classified their products under the style of *claros*, *colorados*, *maduros*, etc., for decades, they find it next to impossible to dispel the illusion.

"A maker of Habana cigars uses but one grade or blend of tobacco in the body or filler of his cigars. Exactly the same stock is used in his *conchas* as in his *perfectos*: in his *claros* as in his *maduros*. After the cigars are made, however, his 'selector' takes them in hand and classifies them according to the relative shades of the wappers. This is done to effect uniformity in the appearance of each box of cigars, and to enable the dealer to readily indulge the whims of the self-deluded smoker.

"Inasmuch as the wrapper constitutes not more than one-tenth of the cigar, it will readily be seen that the degree of its strength or mildness is very inconsiderable in effect. In this connection, however, it is interesting to note that tobacco tradesmen versed in the intricacies of the industry rigidly bar the light-colored wrapper from their own smoking tables, knowing that it generally indicates that the leaf was prematurely cut and improperly cured, and that it impairs the flavor and burn of the cigar. Cubans, who, by the way, are notably partial to mild tobacco, avoid smoking light-colored cigars just as they avoid eating a green orange or an unripe banana.

"The prejudice of these natives or tobacco tradesmen is a logical one, and serves to throw into bold relief a peculiar misconception of facts, which is both amusing and embarrassing to vendors of the fragrant weed.

"Whether cigar smokers will ever awaken to the fact that a dark cigar is, if anything, milder and invariably sweeter and more aromatic than a light cigar, remains to be seen."

However, light-colored leaf can be grown in the Philippines and is grown yearly in small quantities on the estate in the province of Isabela of one of the large Manila manufacturers by the shade culture process. The structure used in the plantation referred to is 3 meters in height and a covering of strong, fine canvas is used in place of cheese cloth or "coco crudo." Cheese cloth is not strong enough and the sun's rays penetrate, and "coco crudo" is not strong enough to resist the rain and wind storms.

The growing of tobacco under shade in the Philippines is expensive, and no attempt is made to produce large quantities. To produce 300 pounds costs ₱500, and the duty on 300 pounds in the United States amounts to ₱850. These expenses put against the price being paid for fine, light-colored leaf in the United States mean that shade grown tobacco for export to America can not be cultivated with profit in the Philippine Islands.

APPENDIX S.

REPORT BY INTERNAL-REVENUE AGENT HOPE ON THE SALE OF LEAF TOBACCO AND THE MANUFACTURE OF CIGARS, CIGARETTES, SMOKING AND CHEWING TOBACCO, AND CHINESE SMOKING TOBACCO IN THE CITY OF MANILA.

LEAF TOBACCO DEALERS.

The dealers in leaf tobacco are divided into two classes, i. e., the wholesale dealers and the wholesale and retail dealers, there being 8 of the former and 27 of the latter.

The wholesale dealers receive their tobacco direct from the growers in the provinces, principally of Isabela and Cagayan, and have large bodegas located close to the river and canals of the city where cascoes can be seen discharging their cargoes all the year round. Some of these dealers have from 2 to 6 bodegas, containing from 500 to 1,000 bales of leaf tobacco, which, with their customary trade, is stock enough to last from four to five years in case of an emergency.

The tobacco in all cases comes in bales called "bultos," the exterior being wrapped in dry cocoonut leaves and bound with rattan under heavy pressure. Considerable care is taken in the packing of this tobacco, which is done by Filipinos and Chinese: that packed by the Filipinos being distinguishable by its superiority, the leaves of which are spread out or arranged in plaits and stacked uniformly, and the bultos noted for their solidity. The same care is not taken by the Chinese in packing this tobacco, and as a consequence their bales are one-third and sometimes one-half as light as those packed by Filipinos although the dimensions are the same.

The purchase of the higher grades of this tobacco is sometimes by the number of leaves of uniform size, but usually by the weight; the lower grades of this tobacco are sometimes purchased by the uniform size of the bultos and whether packed by Filipinos or Chinese.

The tobacco when packed in the provinces is generally in a half-seasoned condition, partly damp, and it is for this reason, together with the fact that the longer it is kept the better and more flavored it becomes and increases correspondingly in value, that it is stored for long periods by dealers in their bodegas. On these bultos may be seen various marks denoting the province from which the tobacco was purchased, the class and sometimes the weight and the marks of the firms handling it, all of which are noted on the shipping invoice.

The average weight of these bultos is from 1 to 2½ quintales and are arranged in classes as follows:

Isabela Province.

	Per quintal.
First class, sold in city for.....	₱27.00 to ₱24.00
Second class, sold in city for.....	20.50 to 17.50
Third class, sold in city for.....	15.50 to 13.50
Fourth class (superior), sold in city for.....	12.50 to 10.50
Fourth class (corriente), sold in city for.....	8.00 to 7.00

Cagayan Province.

First class, sold in city for.....	₱20.00 to ₱17.00
Second class, sold in city for.....	15.00 to 12.50
Third class, sold in city for.....	12.00 to 10.00
Fourth class (superior), sold in city for.....	10.00 to 8.00
Fourth class (corriente), sold in city for.....	7.00 to 6.00

La Unión Province.

	Per quintal.	
First class, sold in city for.....	₱12.00 to	₱9.00
Second class, sold in city for.....	10.00 to	7.00
Third class, sold in city for.....	6.00 to	5.00
Fourth class, sold in city for.....	4.00 to	3.00

Barili, Cebú Province.

First class, sold in city for.....	₱12.00 to	₱10.00
Second class, sold in city for.....	10.00 to	8.00
Third class, sold in city for.....	8.00 to	7.00

There are other provinces that produce tobacco but of an inferior quality and which sells at a very low price but, nevertheless, has a fair sale in the city being used chiefly by mixing with higher grades.

Some of the larger cigar and cigarette factories are supplied by these wholesale dealers in leaf tobacco. Sometimes the tobacco changes hands two or three times among the retail dealers, and nearly all of them will sell any quantity from one-half a kilo up to any number of quintales and invariably supply all the smaller factories.

In this industry, like many others in which the Chinese are interested, there are many schemes, those most favored by the retail dealers being to take the center out of a bulto and replace it with an inferior class of tobacco, or to remove two or more leaves out of each bulto and make up the weight with extra dry cocoanut leaves plaited in with the exterior cover. In some cases this is made impossible by having the bulto opened and every leaf examined, refusing to accept all doubtful and broken ones. In such cases, however, the Chinaman proceeds to make up for such vigilance on the part of the buyer, by placing this refuse in the center of some other bulto and palming it off on some one who does not take the trouble to examine it.

As a class, these dealers are able to do a fair business and clear a profit of from 7 to 12 per cent, not including their schemes.

THE MANUFACTURE OF CIGARS.

Out of the 58 factories doing business in the city of Manila, 14 are owned by Europeans, 1 by an American negro, 24 by Filipinos, and 19 by Chinese. With the exception of one, who is solely an exporter, all make and sell cigars for local consumption in addition to what some of them export. All cigars made by these factories are from the Philippine leaf.

The leaf most used, especially for the higher grades of cigars, is that grown in the provinces of Cagayán and Isabela, of the first class, while that most used for the intermediate grade of cigars is that grown in the provinces of Cagayán and Isabela of the second and third class and that most used for the low grade of cigars is sometimes a blend of the tobacco grown in the provinces of Cagayán and Isabela of the fourth class, together with tobacco from other provinces. Of course the value of the cigars manufactured varies according to the class of tobacco used and workmanship, the first class ranging in price from ₱50 to ₱250 per thousand, seldom higher, the second class from ₱20 to ₱50 per thousand, and the third class from ₱10 to ₱20 per thousand.

Some manufacturers claim that no two crops of tobacco yield the same quality and that only one crop in four yields a superior quality of tobacco, and that in recent years the quality has decreased. However, notwithstanding all these drawbacks there is always a good market for these crops which are eagerly sought for.

The percentage of tobacco used for wrappers and filling varies with each class. A conservative estimate for high-grade wrappers would be from 8 to 12 per cent, with the next grade from 12 to 20 per cent, and with some factories up to 25 per cent. This would include all first-class tobacco. Fillings for this class run from 60 to 70 per cent. Second-class wrappers average from 15 to 20 per cent and fillings from 35 to 45 per cent. Third-class wrappers average about 10 per cent and fillings about 15 per cent. From the last two classes of tobacco most of the lower grades of cigars are made. In many cases the fourth-class tobacco is mixed with other tobacco, usually Londres and Nueva Habana of inferior grade and is handled mostly by the smaller factories.

The actual waste of a cigar factory, i. e., the stems of the leaves, is approximately 22 per cent; the cuttings of large factories are either sold for exportation to Hongkong and Shanghai, or to cigarette manufacturers who are always ready to buy them. In the case of smaller cigar factories these cuttings are broken up and used over again.

The tobacco stems are sold to some Chinamen for a very small sum, in fact many factories are only too glad to have them taken away for nothing. These stems are used by the Chinamen in making a wash for polishing furniture and marble by burning the stems in a furnace especially provided for that purpose, and the ashes placed in large earthen filters. A certain amount of water is then added which, when it has passed through the filters,

is immediately caught in barrels underneath, placed in boilers and allowed to boil slowly for a day or two, after which it is considered ready for use, packed in coal-oil cans and sold for ₱2 per can.

Manila does not possess a single cigar machine, although some time back one of the larger factories bought two of European design for experimental purposes. The result, however, proved so poor that the idea was abandoned, the machines dismantled, and portions used for other purposes. All the cigars in the city of Manila are Filipino handmade, which gives employment to many thousands, both male and female, ranging from ten to sixty years of age. Many manufacturers differ in opinion as to which of the sexes is more satisfactory in the manufacture of cigars, but if there is any preference it rests with the males.

The average factory working day is from ten to twelve hours, excepting Sundays and holidays, when, if work is done, the pay is doubled.

The cigar workers are arranged in classes for the preparation of the leaf, such as stripping, etc., which is always done by hand, cutting wrappers to uniform size and stacking them ready for work. One section can be seen with piles of tobacco leaf in front of them, cut to about the size of a silver peso, rolling cigars, others putting on tin foil, packing in boxes and pasting on labels, etc. These workers are paid by the piece. A good cigar maker of high-grade cigars can make from 100 to 150 per day, of low-grade cigars from 150 to 300 per day, and an exceptionally good cigar maker can make 350 cigars per day. There are very few, however, that can make 350 cigars per day. The pay of these workers averages from ₱5 to ₱18 per thousand. The best cigar maker seldom exceeds the latter amount.

The comparatively small stock kept on hand by most of the small factories is due to the worm which attacks the cigar after its manufacture. In some cases the cigar is attacked by this worm within three months after its manufacture and in other cases seems to escape up until nine months, but seldom escapes beyond that period.

The cigar boxes used by the factories are either secured locally or imported, only one factory possessing a machine for their manufacture. All local purchases are made from Chinos who make them by hand and sell them for from ₱14 to ₱18 per thousand boxes. Some manufacturers claim that the imported box from Germany can be secured for about half the local price after paying all expenses of importation.

THE MANUFACTURE OF CIGARETTES.

There are 50 cigarette factories in the city of Manila, 11 of which are owned by Europeans, 14 by Filipinos, and 25 by Chinese. Twenty-eight of these factories have their own cutting machine, and all, with the exception of 7, have their own cigarette machines.

There are two classes of cigarettes, machine and handmade, the former predominating. The tobacco used includes all classes and the classes mixed vary with every factory, in some instances being considered as a secret.

The following is the formula used for one mixture:

	Kilos.
Fourth-class tobacco, Isabela Province.....	322
Fourth-class tobacco, Cagayán Province.....	115
First-class tobacco, La Unión Province.....	138
Second-class tobacco, La Unión Province.....	138
Third-class tobacco, La Unión Province.....	138
First-class tobacco, Barili, Cebú Province.....	92
Second-class tobacco, Barili, Cebú Province.....	69
Total.....	1,012

Even this mixture of low-class tobacco is able to command a fair market and sells from ₱40 to ₱45 per thousand packages (cajetillas) of 30 cigarettes to each package. The selling price of the factories for cigarettes made of the above sized cajetillas is from ₱39 to ₱76 per thousand packages.

There is very little preparation required for tobacco which is to be cut for cigarettes. The stems of the leaves are seldom separated but are chopped up with the tobacco. The tobacco is taken from the bulto in piles ranging from 20 to 30 leaves at a time, the stems of which are dipped in water to about 6 inches and thrown aside for a day or so. This allows the whole leaf to moisten which prevents its going into powder when thrown into the cutting machine, which would happen were it cut in its dry crisp state.

The machines used for cutting this tobacco in this city are mostly of French pattern, with either steam or electric power and cut at the rate of 380 kilos per hour. This tobacco when cut is called "picadura."

The picadura, before being made into cigarettes, has to be thoroughly dried and cleaned. The drying is in most cases done on the roofs of the factories, or any open space where it

will have the benefit of the rays of the sun. With some of the larger factories this drying is done by machinery. The tobacco is then cleaned, sometimes by steam power but mostly by hand, which is a process of separating the fine powder or dust from the tobacco, which is then ready for use.

There are three classes of cigarette machines, i. e., "La Favorita" and "Usines Decueffe," both French machines, and "The Bunsach," an American machine. "La Favorita," although the slowest one of the three, is the one most used. In working this machine one hand is required to arrange the picadura regularly in the feeder, which holds usually about two kilos of tobacco, and to look out for the fouling of cigarette papers, which constantly happens. The papers used with this machine are fastened with paste or gum. The capacity is generally from 30 to 32 cigarettes per minute. This machine is adaptable for either steam, electricity, or hand power.

The "Usines Decueffe" machine is an improvement over the "La Favorita" in that it has a capacity of from 60 to 70 cigarettes per minute. There are two kinds of this machine, one which fastens the cigarette paper with either paste or gum and the other by a crimp. In other respects these machines are much the same as "La Favorita."

"The Bunsach" machine, like the French machines, requires but one attendant. The tobacco is thrown into the feeder, which is a large square box, sometimes tapering off at the bottom, in large quantities. This tobacco, in process, passes through the machine and comes out at the bottom rolled in a long continuous string and accompanied with the cigarette paper, which is run off from a reel, passes through another part of the machine which fastens the paper with a crimp and cuts off the cigarette at the rate of 250 per minute.

The advantage of the French machines over the American is that they tuck in one end of the cigarette, which is much desired. The disadvantages are that they can not, with safety, use up the coarse grains of tobacco which are usually sifted out from the long, stringy picadura in cleaning. Although there is always a small proportion of these coarse grains that become mixed up with the tobacco or picadura, this, in the process of manufacture, generally falls through the machine and is caught in a vessel placed immediately under the machine for that purpose. There is still, however, one way by which these coarse grains can be used with these machines, although very few care to take advantage of it. When the long arm of the feeder is packed these coarse grains may be sprinkled on the top, usually in the center, and thus carried into the manufacture of the cigarette. The one objection to this is that by tapping the cigarette with the open end held downward, or by pulling out one or two of the long stringy threads of picadura, half the contents of the cigarette will fall out and render the cigarette useless.

The advantage of the American machine is its ability to dispose of the smaller grains of tobacco and its rapidity. These grains are mixed up with the picadura and thrown into the feeder and come out of the machine rolled firmly in the cigarette.

The percentage of the cigarettes that run foul with the French and American machines is from 10 to 15 per cent. These are called "desechos" and are broken up and reused.

Many of the factories have cigarettes made by hand in addition to those made by machine. In the former method a large proportion of the tobacco which is not used with the machine can be disposed of. These cigarettes are divided into two classes, one of which is made of the same class of tobacco as is used with the machines, having about 10 per cent of machine refuse mixed in, the paper fastened with paste, and, in some cases, having one end tucked in, but in most cases both ends left open. From 300 to 350 cigarettes of this class can be made by one person in an hour. The other class of hand-made cigarettes is made of all coarse grain, usually all refuse tobacco from the machines. The paper in this class of cigarettes is not fastened, but left open, having both ends tucked in. These cigarettes are made at the rate of from 450 to 500 per hour. All hand-made cigarettes are made exclusively by females.

The actual waste of tobacco in a cigarette factory depends on the sort of tobacco used. In the higher grades and with the wide leaf there is very little wasted; with the lower grades and smaller leaf there is more wasted. A great deal depends on the way the tobacco is handled—much transporting, repacking, etc., will naturally break the picadura up and turn it into powder. The loss of a cigarette factory is from 3 per cent and ought not to exceed 8 per cent. By the actual loss I mean the powder that has gone through the fine sieves—that which can not be used in the manufacture of any kind of cigarettes or smoking or chewing tobacco. This powder is sold to farmers for fertilizing purposes and insect killing, the only use it can be put to.

The manufacture of cigarettes, like the manufacture of cigars, employs some thousands of laborers, two-thirds of which are females. Every factory has a work shop in which one or more machinists are employed, receiving salaries from ₱50 to ₱100 per month. The attendants at the cigarette machines are paid from ₱0.70 to ₱1 per day for day and night work, respectively. All the rest of the help are paid by piece work. The wrapping is mostly done by women, one person usually wrapping from 100 to 120 packages in an

hour and is paid from ₱0.50 to ₱0.60 per 1,000 cajetillas. All labor on Sundays and holidays demands double pay, while night-work demands an increase of one-third.

The working hours of most factories are unfixed, and all depends on what trade they do. Some of them are at work day and night, while others work from sixteen, twenty, to twenty-two hours daily.

The average number of cigarettes in 2 kilos of tobacco differs with many factories—from 70) to 900 with the large size and from 1,000 to 1,900 with the small size.

The keenest competition is always shown in this line of business; old firms and old brands in some cases don't figure much. I have known some of the factories to be doing an increasing business month after month, then all at once the trade would fall away to almost half, sometimes less, and continue so for a time, when it would pick up again. This is the case with a majority of them, although the general business is steadily on the increase. No explanation for this can be given by any of them.

One complaint I often hear from these manufacturers is the practice of one manufacturer imitating the other's wrappers, as follows:

A's trade is bad; he finds that B's trade is exceptionally good on a certain brand of cigarettes which is selling for say ₱50 per 1,000 cajetillas. A will have his lithographer make him B's wrappers as nearly identical as possible without overstepping the law, if by chance B has his patent registered. A will then canvass the dealers, generally Chinos, and offer this imitation, which is usually inferior tobacco, for say ₱45 per 1,000 cajetillas. If the dealer accepts, which he rarely fails to do, he will await his "marks," who are principally provincial people who can not read, and when they ask for B's brand he will hand them A's imitation brand, charging the same price he would for B's genuine cigarettes. The customer, knowing the pictures on B's brand and being unable to read, accepts, and the dealer not only makes his usual profit of ₱1 on the 1,000, or the value of the wooden box in which the cigarettes came, which is in many cases the only profit made, but he will also make the difference in the factory price in addition to the ordinary profit, thereby ruining the reputation of B's cigarettes. For this reason some factories have affixed a notice on their original packages cautioning their customers to guard against this practice.

THE MANUFACTURE OF SMOKING TOBACCO.

The tobacco used for this purpose is prepared in the same manner as that used in the manufacture of cigarettes, with the exception that it is not thoroughly dried and is known commercially as "picadura."

The packages are usually made by hand and are put up mostly in rectangular shape, weighing 200, 250, and 500 grams.

The factory's price depends on the grade of tobacco used. The package weighing 250 grams is the one mostly used, and, on the whole, is made from a fairly good grade of tobacco. This tobacco is sold by the factories for from ₱18 to ₱20 per 100 packages and by the retailer for ₱0.20 per package.

The apparatus chiefly used for packing is a wooden box of the required size, built on a stool on which the worker sits straddle, having the paper folded to size with one end open. This is placed in the box and the tobacco pounded in with a maul. The tobacco being generally damp, and seldom weighed out, accounts for the slight difference in the weight of each package.

In this class of tobacco can be and is generally used all refuse from cigarette machines, which is usually a good class of tobacco. This is mixed to the proportion of one-third to one-fourth with the long, stringy, machine-cut tobacco. On account of the grade and refuse used it requires more cleaning and, as a consequence, has a larger per cent of waste than the cigarette factory, the same being from 10 to 20 per cent.

This industry has a good market in the city of Manila and is bought up principally by the poorer classes for cigarette making for their own consumption.

THE MANUFACTURE OF CHEWING TOBACCO.

Chewing tobacco is made from the best class of tobacco and, like in the manufacture of cigars, the stems are separated, which is the only waste.

The leaves of the tobacco for this purpose are heavily sprinkled with water, pounded out on a board, and rolled up into pieces something like cigars. These pieces, when completed, are so saturated with water that you can squeeze the juice out of them with the thumb and forefinger. They are considered usable so long as they keep moist, after which time they have to be remade. They are put up in packages either of 10 or 100 pieces, the former being mostly in use and weighing 100 grams to the package, which is sold for ₱1.85 per kilo or 10 packages.

This tobacco is exclusively used by Filipinos, who chew it with beetle nut.

Chewing tobacco, after the American style, is not made in this city.

THE MANUFACTURE OF CHINESE SMOKING TOBACCO.

There are nine of these factories in this city, eight of which manufacture from the Philippine and one from the imported leaf. The imported leaf is known as the red and the yellow leaf.

The process of manufacture is the same with all the leaves, which is as follows:

The tobacco is prepared in the same way as in the manufacture of cigars, the stems being the only portion wasted. The leaves are soaked in oil, folded, and stacked in layers. They are then placed in a machine, under heavy pressure, and the greater part of the oil squeezed out, which leaves the tobacco in a solid block. This is allowed to stand for a day or so, when it is bound with ropes and is ready for cutting. This is done by a worker who straddles the block and shaves the tobacco off with a plane.

The imported leaf is usually mixed with the Philippine leaf, and when shaved off is of a yellow color, while that which is all from the Philippine leaf is of a dark brown color.

Considerable care is taken in the shaving off of this tobacco, which is done slowly and in small pieces, and neatly arranged in layers on small trays. It is then placed in an oven for drying out before it is wrapped into packages. That mixed with the Chinese leaf tobacco is put up into flat square packages of 296 grams and is sold for ₱1.50 per package. The other is put up in various sized packages of 77, 83, and 175 grams, and is sold for 10, 15, and 25 centavos per package.

A considerable quantity of the Chinese tobacco is imported already manufactured and is almost identical in every respect with that made in this city. This tobacco is largely used in Manila and can be found on sale in every Chinese retail tobacco store.

APPENDIX T.

REPORT OF PROVINCIAL TREASURER GOODHART ON MANUFACTURE OF CIGARS, CIGARETTES, AND SMOKING AND CHEWING TOBACCO IN THE PROVINCE OF BULACÁN.

The records of this office show that the manufacturers of this province have been very prosperous under the present law; in fact, the production of cigarettes for 1905, taking the reports of the past five months as a basis of calculation, will exceed the output for 1904 by about 20,000,000 cigarettes. As per bonds and official statements of manufacturers only 43,438,000 cigarettes were produced in 1904, while the production for 1905, taking the reports of the past five months as a basis of calculation, will reach 62,125,860.

The increase in the output of cigars has been still greater, that for 1904 being 22,300, while the computed output for 1905 is 141,118.

In 1904 2,880 kilos of smoking and chewing tobacco were manufactured. For 1905, calculating on the same basis, the output will be only 1,841 kilos, or a loss of over 1,000 kilos.

I have visited almost all the factories and talked with the owners concerning the internal-revenue law, and found them all agreeing that the demand for their products has been greatly increased, and of the opinion that the new law has been beneficial to the business.

In some cases the sales have been double, and in one factory are three times as great, notwithstanding the fact that they ask 4 centavos for a package of cigarettes formerly costing 2 centavos and on which the tax is only 1½ centavos.

APPENDIX U.

REPORT BY DEPUTY COLLECTOR STEERE ON THE MATCH INDUSTRY OF MANILA.

The Philippine Match Company, the only match factory in the Philippine Islands, began operation in October, 1902, at its plant at Mandalayan, just across the Pasig River from Santa Ana.

The machines are entirely American, having been installed by the Diamond Match Company of New York.

The first matches made were of the "parlor" variety, much used in the United States, ignited by friction alone; made of round sticks of soft pine imported from America and packed in pasteboard boxes. These matches did not prove popular: the pasteboard boxes absorbed moisture, and the light straw board became a pulp, making competition with the "safety" class of matches, long popular in the islands, impossible.

The company then put in machinery for the manufacture of the sliced wood boxes universally used in the Philippines, changed their matches from the "parlor" to the "safety" kind, and modified their match-making machines so as to cut square sticks instead of round ones, and additional American machines were installed to increase the output of the square matches.

The soft pine at first imported from the United States has been displaced by native wood. All matches and match boxes are now made from timber cut in the provinces of Tárlac, La Laguna, and Batangas. The timber requires careful handling to insure its delivery to the factory in as dry a condition as possible.

All chemicals for the making of the composition of the match head and ignition panels on the box are imported from the United States, England, and Germany. Crude sulphur, which is largely found in these islands, is not yet commercially available.

The fuel used is coal from Australia.

Some 300 employees are at work in the factory, comprising every nationality, under a staff composed of Americans, Swiss, and English. Some 200 more natives are at work under the contractors getting out timber, so that the factory gives employment to approximately 500 natives.

On account of the comparative isolation of the factory the factory hands receive relatively higher pay than employees of the cigar and cigarette factories situated in the city proper. Vacancies in the working force are generally filled by the provincial native, who, unaccustomed to machines of any kind or of working with considerable numbers of people, is slow to learn and rarely stays long. This handicap it is thought will be eventually overcome and a permanent force among the more important positions will be secured.

The business of the match factory is extending and is in a satisfactory manner meeting the competition of the Japanese handmade matches that for many years enjoyed a monopoly of this market. All imported matches pay the same internal-revenue tax as the local product.

APPENDIX V.

REPORT OF INTERNAL-REVENUE AGENT PATERSON ON THE ENFORCEMENT OF THE LAW AMONG WHOLESALE AND RETAIL DEALERS IN ALCOHOL AND TOBACCO PRODUCTS AND MATCHES IN MANILA.

VINO DEALERS.

This class of dealers are those who sell only native distilled liquors, and consist principally of the small dealers who sell direct to the consumer by the glass, but usually includes the salesrooms of distilleries; this license being necessary in order that they may sell less than 15 liters. (See wholesale liquor dealers.)

No register book is required to be kept by the vino dealer. Their liquor is purchased from distillers and from wholesale liquor dealers. Most of the distillers from whom they purchase liquor furnish a small book in which is noted the number of the guia, date of purchase, kind of liquor, and the number of the gauge and proof liters. No guias are issued with the sales made by the vino dealers, their license not permitting them to sell to other dealers.

A vino dealer is permitted by his license to sell up to 20 liters, but only to the consumer. No record of their receipts or sales is kept other than the invoice or guia received with the liquor from the distiller or wholesaler. If an invoice is received, it is held until called for by an internal-revenue officer, who on taking up said invoice will give a receipt, specifying the schedule, paragraph, and assessment numbers of the factory, the number of the invoice, the number of the gauge and proof liters, and the date of taking up. The guias received are kept on the premises for inspection by internal-revenue officers, when necessary.

No foreign liquor is permitted to be sold under this license.

RETAIL DEALERS IN FERMENTED LIQUOR.

This class of dealers may sell foreign or domestic fermented liquors to the consumer up to 20 liters.

Their liquor is purchased from the manufacturers and from wholesale dealers. It is their duty to see that they receive an invoice or guia with the domestic liquor purchased. No invoice or guia is necessary for their foreign liquor. Invoices and guias received are taken care of as described in the preceding article.

Up to June 30, 1905, many retail dealers sold to other dealers, and so were required to keep a dealer's register book the same as a wholesale dealer, but since July 1, 1905, by an

act of the Commission (No. 1338) they are only permitted to sell to the consumer, and the register books now in their keeping will be turned in as soon as it is decided whether they will continue as a retailer or as a wholesaler.

RETAIL LIQUOR DEALER.

All of the above requirements as to retail dealers in fermented liquors may be said to apply to the retail liquor dealer.

WHOLESALE DEALER IN FERMENTED LIQUOR.

May sell foreign or domestic fermented liquor in any quantity to a dealer, but not less than 20 liters to the consumer.

An inventory of their stock is taken and they are issued an official register book in which to keep a record of their receipts and sales, the first entry being the stock on hand.

Their liquor is purchased from the manufacturers or from other wholesale dealers, and an invoice or guia must be received with the articles. The guia must be numbered and refer to the number of the invoice on which the tax was paid. In the case of fermented liquors it is always possible to give the invoice number, and it is required. The guia will also bear the name and location of the seller, the name and location of the buyer, the date of sale, and the number of gauge liters. If an invoice is received, it is entered in the proper column—"Received from manufacturers"—and the other columns filled in with the date of the receipt of the articles, paragraph, and assessment numbers of the factory, number and date of invoice. The number of gauge liters mentioned on the invoice is entered in the column for "Fermented liquors" on the debit side.

If a guia is received, it is entered in the column "Received from other dealers," giving date of the receipt of the articles, name and location of dealer issuing it, and in the column "Number of invoice" is entered the number of the guia and the invoice number referred to on the guia, thus, $\frac{2244}{177}$, the upper number being that of the guia and the lower that of the invoice. If more than one invoice or guia is received with the same class of goods at one time, they are entered separately, one line being used for each.

A wholesale dealer usually holds a retail license as well as a wholesale one. Liquor sold at retail is not required to be accompanied by a guia, but all sales to other dealers must be accompanied by one. Guias bear a running number, beginning with No. 1 and continuing in sequence until the end of the calendar year. They also bear the name and address of the seller and should bear his paragraph and assessment numbers. On making a sale the dealer will fill in the name and address of the purchaser, date of sale, kind of liquor, and number of gauge liters.

Two entries are required daily on the credit side of the register book, viz, the total sales in gauge liters for the day, as per guias issued, and a note giving the numbers of the guias covering said sales, so, G. 1-7. The total retail sales in gauge liters will be entered on the next line. The wholesale and retail sales are never added together.

Each page of the dealer's book is headed with the month and year, and when filled up all but one line the columns, both debit and credit, are footed up and the totals entered and carried forward to the next page, where the same operation is gone through until the end of the month, when a balance is made by entering on the credit side of the register book the difference between the sales and receipts, making the totals of both sides equal. This balance or difference is carried forward to another page and entered on the debit side as the stock on hand at the first of the month.

No record is required to be kept of the foreign liquors, nor are they included in the stock on hand.

WHOLESALE LIQUOR DEALERS.

May sell foreign or domestic distilled spirits in any quantity to a dealer, but not less than 20 liters to a consumer.

On being issued a register book their stock is taken and makes the first entry in the book on the debit side.

Their receipts and sales are entered as described for a wholesale dealer in fermented liquors, with the exception that distilled spirits are kept in both gauge and proof liters.

The wholesale liquor dealer usually handles all kinds of liquors and sells to the dealer and to the consumer, consequently he needs four licenses—wholesale and retail for distilled spirits and wholesale and retail for fermented liquors.

In the entries both on the debit and credit sides the distilled and fermented liquors are kept separate, but the total guia sales of both distilled and fermented liquors may be entered on one line and the total retail sales of both liquors may occupy the next line.

The columns are totaled and carried forward and the balance is made at the end of the month in the same manner as described for the wholesale dealer in fermented liquors.

Wholesale dealers are required to keep the entries of receipts and sales in their register book up to date, and the invoices received from manufacturers, after being entered, are held until picked up by an internal-revenue officer, who, on taking up the invoice, initials the entry. The guia entries are verified from time to time, and at intervals the stock is taken, and, after corrections have been made for shortages or overages, a new balance is given, the old guias being taken up by the official making the inventory.

It is not always possible for the dealers in distilled spirits to refer to the invoice number on their guias, as, for instance, where the liquor covered by different invoices is put into a common vat or cask and bottled or sold in cans or demijohns from said vat or cask, but where it can be done it is insisted upon.

Many wholesale liquor dealers receive liquor (alcohol, anisado, etc.) from provincial distilleries, and on the arrival in Manila of the liquor are required to notify the internal-revenue officer, so that the grade of the liquor may be taken. The official grading the liquor indorses on the invoice the grade as he finds it and signs his name. The dealer takes up in his book the actual number of gauge and proof liters received irrespective of the number said to have been shipped. This is done to keep the dealer's book as nearly correct as possible, so that there will not be found any great difference on taking inventory of the dealer's stock.

Sales rooms of distilleries are required to keep a dealer's register book, and are subject to the same regulations, such as entries of receipts and sales and issuing of guias to dealers, as described above for the wholesale liquor dealer.

MATCH IMPORTERS.

Merchants having placed an order in a foreign country for matches are required to inform the internal-revenue office previous to the arrival of their consignment, in order that they may be supplied with the necessary internal-revenue books for the payment of the tax and the sale of the matches imported.

The internal-revenue office on being notified that the merchant is importing matches issues to the importer a register book for the manufacture of matches (an importer being classified as a manufacturer for the purpose of the payment of the internal-revenue tax), an invoice book, a stamp requisition book, and a dealer's book.

As soon as the matches are passed through the custom-house the importer enters on the debit side of the manufacturer's book the number of gross of boxes imported and the average number of sticks in each box, as per report of the customs official examining same, fills in the date, and initials the entry. He then makes out an invoice to himself for the total amount of his importation and the amount of tax thereon, fills in the book and notification stubs, makes out a requisition for stamps, and purchases the stamps necessary to pay the internal-revenue tax on the number of gross of boxes imported. He then affixes the stamps purchased in the column between the invoice proper and the book stub, cancels the stamps by writing or stamping the date across the top of each stamp, care being taken not to obliterate the stamp number. The stamp numbers are noted in the proper columns in the manufacturer's book, together with the date of the purchase. This entry, if a separate one, is also initialed. The stamp numbers are also noted on the back of the notification stub. This stub is then cut off, and the following morning it is sent to the office of the city assessor and collector. The invoice is separated from the book stub by cutting up the center of the stamp column, thus dividing the stamps into two parts, so that one-half with the number will be on the book stub and the other on the invoice. The importer then, on the credit side of the manufacturer's book, enters the invoice as a sale to himself, filling in the proper columns and initialing the entry. This balances the book. He then takes up, on the debit side of his dealer's book, the number of gross of boxes as per invoice, filling in the date and number of invoice, from whom received, paragraph and assessment numbers, and date of receipt, and is then prepared to sell the matches to the public.

An importer's sales are, almost without exception, to dealers, and therefore must be covered by a guia. The guia is essentially the same as that of the liquor dealers, except that it specifies so many gross of boxes of matches instead of gauge and proof liters.

The total number of gross of boxes sold in one day, as per guias issued, makes one entry on the credit side of the dealer's book, noting also the numbers of the guias.

This book is kept, as described, for the wholesale dealer in fermented liquors, i. e., carrying forward the totals of the debit and credit columns until the end of the month, when a balance is made and the difference carried forward to the succeeding month.

Previous to getting his matches from the custom-house the importer has to deposit with the customs cashier a guarantee of sufficient amount to cover the customs duties and the internal-revenue tax. When he is ready to close his customs account, he hands in to the cashier the stamped invoice on which he paid the internal-revenue tax on his importation, and the cashier refunds him the amount deposited by him (the importer) to cover said tax and files the invoice with the customs entry, as evidence that the internal-revenue

tax has been paid by the cancellation of stamps. This invoice is taken up later on by an internal-revenue officer, who leaves with the cashier, in its place, a form covering all the data of the invoice, the name of the importer, the number of the customs entry, and the serial number. Said form is signed by the official taking up the invoice and is a receipt to the customs cashier for same.

GENERAL REMARKS.

Trading in domestic liquors in Manila is practically in the hands of the Chinese, who compose about three-fourths of the total number of dealers. On the installation of the permanent system considerable difficulty was experienced during the first two or three months in teaching the manner of keeping the register books, the handling of guias, etc. They did not like the direct interference of the Government in their business, and many seemed to look upon the internal-revenue law as if it had been enacted for the sole purpose of ruining their business and confiscating their property on the slightest possible pretext, but as the months went on they gained confidence, and this feeling gradually wore off, and now the law is pretty generally understood and complied with.

As regards the understanding of the system of keeping the register books, it may be said that now it is all that could be desired. On checking up the stocks and books differences are still found, but this is not due to the system, but to the carelessness of the clerks and sometimes of the dealers in not noting sales or receipts, and it is thought that a few months more will do away with even this slight complaint.

Among the larger wholesale dealers in native liquors there has been a steady increase in the amount of sales since the beginning of the year, each month showing a gain over the preceding one.

Most of the Chinese dealers employ a Filipino clerk, and the work of some of these clerks is very good. Some of the Chinese keep their own register book, and those who are able to do so are usually very accurate.

APPENDIX W.

TAXES REPORTED COLLECTED DURING THE FIRST YEAR'S OPERATION OF THE INTERNAL-REVENUE LAW, AUGUST 1, 1904, TO JULY 31, 1905.

TABLE 1.—Segregated by months and articles.

TABLE 2.—Showing collections reported during fiscal year 1904-5 and during July, 1905.

TABLE 3.—Segregated according to insular, provincial, and municipal revenues.

TABLE 4.—Showing, under schedules, where taxes were paid and percentage of collection in Manila and in the provinces.

TABLE 1.—Statement of internal-revenue taxes reported collected under Act No. 1189 in the Philippine Islands.

AUGUST 1 TO DECEMBER 31, 1904.

Articles.	August.	September.	October.	November.	December.	Total.
Distilled spirits.....	P 22,314.19	P 39,514.69	P 48,947.30	P 61,750.71	P 73,420.91	P 245,947.80
Fermented liquors.....	7,844.36	8,584.00	9,771.24	10,585.08	10,859.16	47,683.84
Manufactured tobacco.....	2,980.20	7,257.66	6,529.51	5,727.62	8,051.74	30,555.73
Cigars.....	8,048.29	10,089.69	9,880.48	11,469.31	13,993.90	53,481.67
Cigarettes.....	77,004.65	139,799.05	142,528.37	143,440.01	163,672.89	666,444.97
Matches:						
Domestic.....	3,500.00	7,200.00	9,000.00	9,999.99	10,033.33	39,733.32
Imported.....	2,706.67	3,860.00	4,580.00	2,000.00	4,580.00	17,726.67
Total.....	124,447.36	216,305.09	231,236.90	244,972.72	284,611.93	1,101,574.00

TABLE 1.—Statement of internal-revenue taxes reported collected under Act No. 1189 in the Philippine Islands—Continued.

JANUARY 1, 1905, TO JULY 31, 1905.

Articles.	January.	February.	March.	April.
Distilled spirits.....	P 68,534.59	P 52,490.51	P 91,526.26	P 73,844.99
Fermented liquors.....	15,311.00	6,550.00	12,400.00	12,170.00
Manufactured tobacco.....	13,289.93	7,249.16	11,011.61	6,019.58
Cigars.....	17,462.76	11,990.59	18,069.30	16,127.87
Cigarettes.....	175,758.22	167,943.74	212,474.74	179,889.46
Matches:				
Domestic.....	7,000.00	11,200.00	12,000.00	6,282.00
Imported.....	3,720.00	700.00	6,660.00	12,824.00
Brewers.....	250.00			50.00
Distillers.....	550.00	564.00	1,094.60	1,722.00
Rectifiers.....	750.00	250.00	500.00	1,100.00
Retail dealers in liquors.....	2,424.00	896.00	1,644.00	4,904.00
Retail vino dealers.....	2,180.00	1,122.00	1,880.00	6,604.00
Wholesale liquor dealers.....	2,950.00	2,862.00	1,150.00	7,806.00
Retail dealers, fermented liquors.....	2,140.00	918.00	1,177.50	3,894.50
Wholesale dealers, fermented liquors.....	1,155.00	604.00	245.00	1,365.00
Retail dealers, manufactured tobacco.....	3,684.00	1,924.00	3,522.00	10,770.00
Manufacturers of tobacco.....	250.00	40.00	207.00	255.00
Manufacturers of cigars and cigarettes.....	795.00	194.00	433.00	789.00
Peddlers of taxable articles.....	80.00	96.00	130.00	487.00
Merchants.....	1,116.99	13,499.87	7,567.27	139,299.33
Manufacturers.....	720.90	255.86	537.10	11,527.70
Common carriers.....	247.00	138.93	26.38	1,787.22
Stockbrokers.....	620.00	160.00	230.00	320.00
Real estate brokers.....	980.00	110.00	280.00	610.00
Custom-house brokers.....	520.00	40.00	100.00	280.00
Pawnbrokers.....	600.00	400.00	150.00	450.00
Proprietors of theaters, etc.....	850.00	1,880.00	6,500.00	10,300.00
Proprietors of circuses, etc.....	50.00			
Proprietors of billiard rooms.....	237.50	245.00	365.00	567.50
Lawyers, doctors, etc.....	4,880.00	810.00	712.50	4,140.00
Photographers, etc.....	400.00	140.00	40.00	450.00
Veterinarians, etc.....	370.00	95.00	345.00	485.00
Owners of race tracks.....				2,280.00
Mines and mining concessions.....				400.00
Banks and bankers.....		45,200.01	1,864.52	761.02
Insurance companies.....			2,276.27	1,087.66
Forest products.....	24,911.63	27,900.73	35,563.99	29,365.90
Miscellaneous.....	22.05	8.50		2.50
Documentary stamps.....	13,990.64	12,195.22	13,375.18	14,140.55
Cedulas:				
Class A.....	53,863.00	291,046.00	356,695.00	227,104.00
Class B.....				326.00
Class D.....				8.00
Total.....	422,664.21	661,719.12	804,373.22	792,596.58

Articles.	May.	June.	July.	Total.
Distilled spirits.....	P 96,674.28	P 114,957.51	P 111,730.28	P 609,758.42
Fermented liquors.....	15,039.80	9,132.00	14,009.60	84,612.20
Manufactured tobacco.....	8,304.00	8,009.74	8,435.64	62,319.46
Cigars.....	15,905.46	12,939.16	14,740.53	107,255.67
Cigarettes.....	222,808.97	186,820.95	183,990.52	1,529,690.00
Matches:				
Domestic.....	12,612.00	11,230.00	8,904.00	69,228.00
Imported.....	4,760.00	7,221.40	12,480.00	48,365.40
Brewers.....			50.00	50.00
Distillers.....	1,858.00	1,566.00	3,800.00	11,764.60
Rectifiers.....	650.00	650.00	1,800.00	5,700.00
Retail dealers in liquors.....	4,798.50	3,026.00	8,006.00	25,700.00
Retail vino dealers.....	9,002.00	4,466.44	11,423.00	36,677.44
Wholesale liquor dealers.....	8,400.00	4,750.00	8,068.24	26,884.24
Retail dealers, fermented liquors.....	3,287.50	2,122.50	5,485.00	19,025.00
Wholesale dealers, fermented liquors.....	1,031.00	725.00	1,835.00	6,940.00
Retail dealers, manufactured tobacco.....	11,950.00	8,063.91	18,398.99	59,332.90
Manufacturers of tobacco.....	230.00	185.00	415.00	1,582.00
Manufacturers of cigars and cigarettes.....	364.00	318.00	924.00	3,817.00
Peddlers of taxable articles.....	674.00	642.00	1,422.00	3,531.00
Merchants.....	47,067.01	52,649.01	213,378.65	474,578.13
Manufacturers.....	1,592.00	2,010.76	13,974.09	30,618.41
Common carriers.....	4,782.24	320.55	1,523.01	8,825.33
Stockbrokers.....	140.00	72.00	352.00	1,894.00
Real estate brokers.....	180.00	260.00	840.00	3,280.00
Custom-house brokers.....	160.00	120.00	445.00	1,665.00
Pawnbrokers.....	370.00	507.33	700.00	3,177.33
Proprietors of theaters, etc.....	16,500.00	13,400.00	18,532.91	67,962.91

TABLE 1.—Statement of internal-revenue taxes reported collected under Act No. 1189 in the Philippine Islands—Continued.

JANUARY 1, 1905, TO JULY 31, 1905—Continued.

Articles.	May.	June.	July.	Total.
Proprietors of circuses, etc.			₱ 50.00	₱ 100.00
Proprietors of billiard rooms	₱ 807.50	₱ 496.54	1,127.50	3,846.54
Lawyers, doctors, etc.	2,027.50	1,516.67	5,985.00	20,071.67
Photographers, etc.	260.00	350.00	610.00	2,250.00
Veterinarians, etc.	360.00	315.00	713.00	2,683.00
Owners of race tracks	420.00	555.00	540.00	3,795.00
Mines and mining concessions	2,400.00	600.00	830.99	4,230.99
Banks and bankers	2,712.08		55,816.24	106,353.87
Insurance companies	1,048.08	3,166.44	74.68	7,653.13
Forest products	33,017.12	39,526.36	(a)	190,285.73
Miscellaneous	4.83	5.70	6.70	50.28
Documentary stamps	13,922.40	15,129.78	13,811.08	96,564.85
Cedulas:				
Class A	250,278.00	44,294.00	14,391.00	1,237,671.00
Class B	19,706.00	47,947.00	33,690.00	101,649.00
Class D	752.00	513.00	409.00	1,682.00
Total	816,856.07	600,600.75	794,620.75	4,893,430.70

(a) Pending.

RÉSUMÉ.

August 1 to December 31, 1904	₱ 1,101,574.00
January 1 to July 31, 1905	4,893,430.70
Total	5,995,004.70

TABLE 2.—Consolidation of internal-revenue taxes reported collected under Act No. 1189 in the Philippine Islands.

AUGUST 1, 1904, TO JULY 31, 1905.

Period.	Alcohol and tobacco products.		Merchants' tax on sales.	Occupation licenses.
	Manufacturers.	Dealers' licenses.		
Eleven months ending June 30, 1905	₱ 3,058,509.18	₱ 148,787.45	₱ 285,146.12	₱ 80,810.04
July, 1905	354,290.57	62,529.33	228,875.75	29,895.41
Total	3,412,799.75	211,316.78	514,021.87	110,705.45

Period.	Cedulas.	Documentary.	All other.	Total.
Eleven months ending June 30, 1905	₱ 1,292,532.00	₱ 82,753.77	₱ 251,845.39	₱ 5,200,383.95
July, 1905	48,490.00	13,811.08	56,728.61	794,620.75
Total	1,341,022.00	96,564.85	308,574.00	5,995,004.70

NOTE.—The first column, "Manufacturers of alcohol and tobacco products," shows reported collections for 12 months ending July 31, 1905, as these were the only taxes under Act No. 1189 that became effective on August 1, 1904. The remaining columns in the above table show reported collections for seven months ending July 31, 1905.

TABLE 3.—Segregation of internal-revenue taxes reported collected in the Philippine Islands, under Act No. 1189.

AUGUST 1, 1904, TO JULY 31, 1905.

Period.	Insular.	Provincial.	Municipal.	Total.
Eleven months ending June 30, 1905	₱ 2,891,739.69	₱ 1,031,831.29	₱ 1,276,812.97	₱ 5,200,383.95
July, 1905	544,815.27	96,887.03	152,918.45	794,620.75
Total	3,436,554.96	1,128,718.32	1,429,731.42	5,995,004.70

TABLE 4.—*Taxes paid in Manila and in the provinces, under Act No. 1189, from August 1, 1904, to July 31, 1905, with the remark that collections under Schedule A run for the twelve months, while taxes on the remaining schedules only began to run from January 1, 1905.*

Schedule.	Total tax.	Paid in Manila.		Paid in provinces.	
		Amount of tax.	Per cent of total tax.	Amount of tax.	Per cent of total tax.
Schedule A:					
Distilled spirits.....	₱ 855,706.22	₱ 395,541.52	46.20	₱ 460,164.70	53.80
Fermented liquors.....	132,296.04	132,296.04	100.00		
Manufactured tobacco.....	92,875.19	78,013.68	84.00	14,861.51	16.00
Cigars.....	160,737.34	145,611.05	90.50	15,126.29	9.50
Cigarettes.....	1,996,131.57	1,920,311.29	96.20	75,820.28	3.80
Matches—					
Domestic.....	108,961.32	108,961.32	100.00		
Imported.....	66,092.07	56,612.07	85.80	9,480.00	14.20
Total.....	3,412,799.75	2,837,346.97	82.94	575,452.78	17.06
Schedule B:					
Licenses; dealers in alcohol and tobacco products.....	211,316.78	54,212.00	25.70	157,104.78	74.30
Schedule C:					
On sales; merchants, manufacturers, and common carriers.....	514,021.87	347,249.17	67.50	166,772.70	32.50
Schedule D:					
Licenses; occupations and professions.....	110,705.45	30,840.00	26.90	79,865.45	73.10
Schedule E:					
Cedulas.....	1,341,022.00	70,072.00	5.20	1,270,950.00	94.80
Schedule F:					
Mines.....	4,230.99			4,230.99	100.00
Schedule G:					
Banks.....	106,353.87	102,588.97	96.40	3,764.90	3.60
Schedule H:					
Insurance companies.....	7,653.13	7,467.83	97.60	185.30	2.40
Schedule I: ^a					
Forest products.....	190,285.73	42,368.18	22.30	147,917.55	77.70
Schedule J:					
Documentary.....	96,564.85	65,114.88	67.40	31,449.97	32.60
Miscellaneous.....	50.28	22.05		28.23	
Total.....	2,582,204.95	719,935.08	28.00	1,862,269.87	72.00

RÉSUMÉ.

Schedule A.....	3,412,799.75	2,837,346.97	82.94	575,452.78	17.06
Schedules B to J and miscellaneous.....	2,582,204.95	719,935.08	28.00	1,862,269.87	72.00
Total.....	5,995,004.70	3,557,282.05	59.34	2,437,722.65	40.66

^a Collections for July pending.

^b ₱ 412.33 collected in Palawan for June, 1905, reported date of closing, not included.

JNO. S. HORD,
Collector of Internal Revenue.

APPENDIX X.

REPORT OF RECORD DIVISION, AUGUST 1, 1904, TO JUNE 30, 1905.

Papers, including telegrams, sent, 5,777; received, 7,512.

Administrative decisions rendered in response to queries submitted by internal-revenue officers and taxpayers:

Sections involved:	Number of letters.
1-67.....	79
68.....	123
74, 87, and 88.....	48
95-103.....	8
104-107.....	15

Sections involved—Continued.	Number of letters.
108-109.....	10
110-115.....	10
116-119.....	68
120-125.....	60
126-129.....	7
130-133.....	3
134-137.....	17
138-143.....	180
144.....	83
Total.....	711

Printed regulations and other printed matter distributed.—Act No. 1189, the internal-revenue law of 1904. English and Spanish copies distributed to internal-revenue officers and taxpayers.

Act No. 1338, "An act amending the internal-revenue law of 1904." English and Spanish copies distributed to internal-revenue officers and taxpayers.

Circular No. 1, to all internal-revenue officers. Subject: Preliminary instructions as to the assessment and collection of taxes on distilled spirits, manufactured liquors, fermented liquors, manufactured tobacco, cigars, cigarettes, and matches. English and Spanish copies distributed to internal-revenue officers and taxpayers.

Circular No. 2, to all internal-revenue officers. Subject: Instructions as to the issue of certificates of registration and the collection of said poll tax on and after the first Monday in January, 1905. English and Spanish copies distributed to internal-revenue officers.

Tables and rules for gauging spirits and for computing proof spirits and taxes. English and Spanish copies distributed to internal-revenue officers and taxpayers.

A notice dated December 27, 1904, "For the purpose of enforcing compliance with the provisions of Act No. 1045 of the Philippine Commission. * * *"

A notice dated January 17, 1905, explanatory of the effect Act No. 1189 should have on taxed articles.

These two notices were printed in English, Spanish, and seven native dialects and distributed broadcast throughout the islands.

Mimeographed regulations and other matter sent out.—Circular letters to provincial treasurers, 44.

Circular "A," to internal-revenue officers. Subject: Instructions as to the enforcement on and after January 1, 1905, of compliance with the provisions of Act No. 1045 of the Philippine Commission. English copies of these circulars distributed to all internal-revenue officers.

Number of protests received covering payment of internal-revenue taxes from August 1, 1904, to June 30, 1905.

Sections involved.	Number of protests.	Amount.
68.....	1	\$ 174.00
101-107.....	4	22,292.10
108.....	2	2,600.00
139.....	15	8,342.54
144.....	1	(a)
Total.....	23	33,408.64

^a Amount not known.

J. A. CORLISS, *Record Clerk.*

APPENDIX Y.

AMOUNT OF FINES AND FORFEITURES IMPOSED, COLLECTED, AND TO BE COLLECTED, FROM JANUARY 1, TO JULY 31, 1905.

Amount of fines and forfeitures imposed administratively under section 33 and collected	P 4,940.44
Amount of fines and forfeitures imposed administratively under section 145 and collected	1,700.88
Amount of fines and forfeitures imposed but uncollected	4,287.80
Number of cases dropped	56
Number of cases settled in which the fines and forfeitures have been collected	83
Number of cases pending in which payment of fines has not been made	138
Number of delinquents fined	243
Number of cases in court	44
Number of fines under Schedule A—manufacturers of alcohol and tobacco products	100
Number of fines under Schedule B—dealers in alcohol and tobacco products	150
Number of fines under Schedule C—merchants	231
Number of fines under Schedule D—professions and occupations	43

A. R. GARD, *Law Clerk.*

EXHIBIT NO. 7.

REPORT OF THE AUDITOR FOR THE PHILIPPINE ISLANDS.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,
BUREAU OF AUDITS,
Manila, P. I., December 1, 1905.

Sirs: In compliance with the requirements of rule 38 of Act No. 90 of the Philippine Commission (sec. 60 of Act No. 1402), I have the honor to submit my fifth annual report of the fiscal concerns of the government for the fiscal year 1905, showing the receipts and disbursements of the various departments and bureaus of the insular government, and of the various provinces, together with other pertinent information.

The report embraces all transactions of the fiscal year which were included in accounts received to November 1, 1905, and also settlements pertaining to prior fiscal years which were not included in previous annual reports.

During the entire fiscal year 1905 the responsible management of the bureau of audits devolved by law upon Messrs. W. W. Barre and Wm. H. Clarke, as acting auditor and acting deputy auditor, respectively, by reason of the absence of the auditor, first on accrued leave of absence and later under a special assignment as chairman of the Philippine exposition board, and the work was conscientiously and ably performed.

The organization of the office and the personnel of the executive staff at the close of the fiscal year were as follows:

Auditor—A. L. Lawshe.

Deputy auditor—Wm. W. Barre.

Chief clerk—Wm. H. Clarke.

Bookkeeping division—C. H. Fullaway, chief.

Customs division—A. J. Gibson, chief.

Postal division—Wm. A. Walsh, chief.

Miscellaneous division—C. H. French, chief.

Provincial division—H. W. Gangnuss, chief.

Property division—C. A. Smith, chief.

During the fiscal year two chiefs of division, Mr. W. Y. Handy and Mr. O. H. Tibbott, resigned, to return to the Federal service at Washington, after having rendered most efficient and valuable service to the insular government.

Messrs. Handy and Tibbott were succeeded, respectively, by C. H. Fullaway and H. W. Gangnuss, their experienced and efficient assistants.

By reason of absence on accrued leave during a portion of the fiscal year the duties of chief of the miscellaneous division devolved upon the assistant chief, Mr. J. F. Hauck, and those of the chief of the customs division devolved upon Mr. F. W. Thornton and Ora Miller, the work in each instance being efficiently performed.

Although several resignations, transfers, and absences on accrued leave occurred during the fiscal year in all divisions, the volume of work accomplished was equal to that of any prior year. This result is due to the faithful, conscientious service of the remaining employees, many of whom worked overtime to maintain the standard.

The authorized personnel at the close of the fiscal year was as follows:

Auditor; deputy auditor; 3 clerks, class 3; 4 clerks, class 4; 1 clerk, class 5; 9 clerks, class 6; 10 clerks, class 7; 11 clerks, class 8; 14 clerks, class 9; 6 clerks, class 10; 4 clerks, class A; 2 clerks, class B; 2 clerks, class C; 3 clerks, class D; 3 clerks, class E; 2 clerks, class F; 2 clerks, class G; 2 clerks, class H; 2 clerks, class I; 4 messengers, and for employment of emergency clerks at not to exceed \$100 per month each, not to exceed ₱7,333.33.

The expense of conducting the bureau for the fiscal year was, for salaries and wages of officers and employees, ₱210,275.24, and for contingent expenses, such as furniture, stationery, and other supplies, ₱3,965.08. In addition, there were outstanding obligations at the close of the fiscal year, for salaries and wages, amounting to ₱6,498.33, and for contingent expenses ₱446.33, making aggregate ultimate cost for the service of the fiscal year of ₱227,269.73.

There were received, examined, and settled 15,359 separate accounts, as follows:

Customs revenue	294
Customs disbursement	384
Customs refund	883
Miscellaneous	5,540
Postal and money order	3,822
Property	2,394
Special accounts and settlements	451
Provincial-municipal	1,591

In addition, 569 settlement warrants were issued from the insular salary and expense fund.

The monthly and quarterly accounts received weighed in the aggregate 14,000 pounds, or an average of less than 15 ounces each. The customs accounts, included in the above total, aggregated in weight 3,150 pounds, and 80 per cent of this amount consisted of manifests, entries, etc., prepared by shipping agents and importers, and required by law to be sent to the collector of customs and the auditor.

While some provincial and customs accounts are very large, it will be seen that the paper work of the great majority of the accounts must be small to reduce the average weight of each account and its accompanying vouchers to less than 15 ounces.

VOLUME OF THE AUDIT.

The volume of the auditing work done is in no sense restricted by the aggregate of the ordinary or extraordinary receipts or disbursements of the government. In addition to the ramifications and manipulations of the various funds, which must be followed, aggregating many times the original funds received, the accounts of the postal money-order service and of the insular treasurer as depositary, including the silver-certificate redemption fund must each receive careful audit, from invoices, checks, drafts, money orders, and other evidences of debit and credit.

The audit of these depositary and other special classes of accounts, while simple compared with the audit of receipts and disbursements under established legislation, is certainly as comprehensive as the audit usually given to commercial accounts, which, as a rule, consist of a mere checking of approved items and a compilation of results.

Another series of accounts which may well be taken into consideration is that involving the exchanges of currency. These exchanges must receive as rigid an audit as to ratios, etc., as any other class of receipts or expenditures, and in many cases the transactions are numerous and involve minor amounts.

The stamp accounts of various officers must receive the same careful audit as is given to money accounts because the stamps have a fixed money value in the hands of the holder.

On this basis the volume of the audit performed by the various divisions during the fiscal year 1905 was as follows:

Bookkeeping division.

Item.	Philippine currency.	United States currency.	Mexican currency.	Equivalent in Philippine currency.
Receipts:				
General-revenue accounts	₱61,417,522.98		Pfs. 112,834.80	
Depositary accounts, United States and insular disbursing officers, and other trust funds	62,609,710.59	\$37,328,431.05	65,098.98	
Exchange	37,240,546.17		6,124,149.78	
Silver reserve	4,450,000.00			
Total receipts				₱245,222,390.85
Withdrawals:				
General revenue	60,663,005.44		8,037,825.26	
Depositary accounts, United States and insular disbursing officers, and other trust funds	63,821,416.04	40,213,245.37	168,394.95	
Exchange	42,020,072.43		588,466.83	
Silver reserve				
Total withdrawals				253,696,128.53
Grand total				498,918,518.88

Customs division.

Item.	Philippine currency.
Gross receipts:	
Customs, from all sources	₱17,750,162.68
Miscellaneous collections	7,748.33
Arrastre	119,231.92
Total gross receipts	17,877,137.98
Gross disbursements:	
Customs	1,281,759.98
Coast guard	2,321,286.46
Arrastre	75,184.22
Refunds	897,836.28
Total gross disbursements	4,576,066.94
Grand total	22,453,204.92

Postal division.

Account of disbursing officer, bureau of posts:	
Disbursements	₱257,446.37
Refund of expenditures	4,562.55
Postmasters' postal accounts:	
Revenues	273,341.60
Disbursements	340,464.13
Expenses, post-office service at large	8,449.96
Money-order accounts:	
Receipts	6,917,251.24
Disbursements	6,969,641.08
General account with United States Government:	
Credits for money orders paid	3,863,627.34
Cash remittances	3,400,000.00
Total	22,034,748.27

Miscellaneous division.

Receipts and disbursements of the insular bureaus, including operations of the insular purchasing agent, the constabulary commissary, disbursements of the insular disbursing agent at Washington, D. C., including payments on account of bonded indebtedness, and other miscellaneous transactions and reimbursable appropriations.	₱57,277,508.56
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Provincial division.

Item.	Philippine currency.	Mexican currency.	Equivalent in Philippine currency.
Provincial-municipal accounts:		<i>Pys.</i>	
Receipts from collections and sales of rice	₱5,626,694.15	259,536.69	
Municipal loans repaid	21,237.54	1,571.58	
Expenditures	3,687,510.70	24,426.66	
Payments to municipalities and insular treasury	4,709,631.40	141,088.46	
Loans to municipalities	46,200.81	2,000.00	
Refund to insular government	52,009.58		
Internal revenue:			
Collections	5,463,588.35		
Refunds	2,464,771.85		
Expenditures	231,167.78		
Forestry:			
Receipts from collections and sales of furniture	173,972.15		
Refunds	102,148.26		
Expenditures and refunds to expenditures	272,693.42		
Total			₱23,181,336.29

The stamp accounts audited during the fiscal year aggregated, in debits and credits, postal, ₱693,623.28; internal revenue, old series, ₱282,489.32; new series issued and exchanged, ₱13,195,430.98.

Exchanges of currency were effected in the provincial accounts aggregating over ₱12,000,000.

Transfers of funds between officers, not included in the foregoing figures, aggregated ₱11,624,543.

BOOKKEEPING DIVISION.

Under the provisions of the organic act creating the office of the insular auditor, this division is charged with maintaining a complete and permanent record of all the financial affairs of the government and making report thereon.

In my report for the fiscal year ended June 30, 1904, an elaborate detailed description was given of the various books employed in the system of double-entry bookkeeping inaugurated at the beginning of that fiscal year. This system, modified and added to in several instances to meet conditions arising, is still in force. In this report only a general presentation of the scheme will be given.

The law requires that all revenues of the insular government, aside from postal revenues, shall be deposited without deduction with the insular treasurer, and that all withdrawals shall be made by warrant on the same officer. It logically follows that such transactions are the basis of the government's fiscal affairs and the scheme of bookkeeping has accordingly been so constructed.

The system may be divided, for purpose of illustration, into two general sections:

First. Actual treasury transactions, embracing receipts duly classified as customs, postal, internal-revenue, and miscellaneous revenues, and withdrawals classified by the respective bureaus and offices having control of the appropriations.

Second. Transactions forming the basis of statistical information, and duly segregated, by means of general ledger accounts, into items of income or expense, and resources and liabilities.

The data in the first section are necessary for primary information as to the standing of the government in its visible cash balance and the divisions thereof. For example, all cash receipts at the treasury are debited to an account of that name and credited to an account entitled "Available for appropriation;" when an appropriation is made by the legislative body the available account is debited and the appropriation account credited under the specific subheading; when a withdrawal is made the appropriation account is debited and the withdrawal account credited. It is evident, therefore, that the respective balances on available and appropriation accounts and the sum of withdrawals will equal the sum of the treasury receipts. This is an absolute guaranty as to the accuracy of the work.

The entries forming the statistical feature of the bookkeeping are made in using the treasury receipts and withdrawals as a base for the audit of the year. For illustration: A, in his capacity as a collector of customs, receives a certain sum of money. He deposits the same in the insular treasury. The treasury prepares receipts in duplicate and sends them to the auditor for counter signature. The duplicate part of this receipt is forwarded to the customs officer, the original entered in the statistical ledger, and the amount thereof charged to the insular treasurer at once. It is then forwarded to the auditing division for use in verifying the customs officer's accounts. The duplicate part of the receipt is sent to the customs officer as his voucher. Instead of entering an immediate credit to the collecting officer, however, the amount is credited to a suspense account known as "deposits." The auditing division receives the account current of the customs officers making the collection, verifies all data in connection therewith, prepares a certificate of settlement on the account, and forwards it to the bookkeeping division. This certificate is entered in the following manner: The officer is first charged with all sums received by him and credited with amounts paid out or deposited with the insular treasurer; the difference or balance due government remains to the debit of his individual account and constitutes an asset of the government; the sum of the deposits made by him is then debited to the deposit account and the various items of revenues credited to their respective classified accounts in detail.

The same method applies to certificates on the accounts of disbursing officers.

The accuracy of the year's work is then determined by two absolute proofs: First, when the suspense entries are balanced, and, second, when the aggregate of debit and credit statistical entries equal like sums.

The double-entry system is an innovation in government accounting and was adopted with some misgivings, but the experience of the past two years proves conclusively that if the integrity of the classifications is maintained it is an absolute presentation of facts and positive proof of the work accomplished.

While the duties of government auditors are more or less defined by specific legislation, all authorities agree that they are the proper officers to adjudicate the acts of collecting and disbursing officers in accordance with law, both original and construc-

tive, without interfering with the administrative functions of the officers concerned, to the end that the financial interests of the government may be protected. In the Philippine system the auditor is specially empowered with the functions of a comptroller of the treasury, in some cases with final jurisdiction and in others subject only to review by the Secretary of War. It logically follows, therefore, that the results from the exercise of such functions, either in the form of certificates of settlement on the accounts of a collecting and disbursing officer prepared and certified by the auditor after mathematical and legal review of accounts submitted, or in the recording of the financial enactments of the legislative body, should be centralized and form the proper basis for fiscal information.

No matter how much bookkeeping may be done by the treasurer or by other officers collecting and disbursing funds, the auditor can do no less bookkeeping than now and at the same time present a true statement of the government's financial condition.

There seems to be some misapprehension on the part of bureau chiefs and others as to the extent of the bookkeeping performed in this office. The work accomplished is confined to maintaining a proper check on treasury receipts and withdrawals, the proper segregation of funds available for appropriation and those appropriated for specific purposes, and to enter the aggregated elements of settlements of officers' accounts as made by auditing divisions, based upon the primary treasury receipts and withdrawals, as later explained in detail. These certificates of settlement may cover an officer's accountability for one month to the entire fiscal year, and only the aggregate collections and disbursements for the period covered are entered in the statistical accounts; in the former as to classification of revenue, either customs, postal, internal, or miscellaneous, and in the latter according to the subheading of appropriation acts authorizing the expenditure. The transactions in detail are not entered on the books, although as a separate proposition detailed statements of expenditures are made in the auditing divisions for the War Department's records at Washington. The keeping of the accounts in detail is properly the work of the administrative officers in their bureaus. More bookkeepers are employed, respectively, as such, in the various divisions of the Manila custom-house, in the office of the collector of internal revenue, and in any of the other large bureaus in making entries of their transactions in detail than are employed in this office in making the aggregated entries for the whole Philippine service, insular and provincial, including the city of Manila.

The accounting act recently passed has authorized several long-needed changes in the work of this division. Chief among these is the abolishment of fiscal-year restrictions in appropriation and advance of public funds, leaving the date of expenditure to fix the statistical fiscal year. It thereby becomes unnecessary to eliminate small appropriation balances. This, together with adjustments between fiscal-year appropriations, has constituted a large proportion of the detailed work of this division.

Not far short of this in its importance is the adoption of the "charge back" system in the audit of accounts. Payments made in good faith and mathematically correct are allowed in expenditures. If a quasi-legal examination reveals any question on which more information is desired the amount is charged back to the officer in suspense, subject to his explanation within a given period. If the matter is not satisfactorily explained, the amount of the sum so held in suspense is entered as an absolute charge against the officer and classified statistically so as to reduce the expenditure charge originally made. It will readily be seen that the revenues and expenditures of the government are more speedily and accurately shown by this method, while the elements of safety and correctness do not suffer by the new departure.

Commercial and governmental bookkeeping, while fundamentally alike, are radically different in their application in that certain essential elements of each are surplusage in the other; for example, in commercial bookkeeping it is necessary to show the transaction incident to the purchase, barter, and sale of commodities, and the value of merchandise remaining on hand is of paramount importance. In governmental work this is not essential. Aside from expenditures for salaries the purchases of government bureaus are usually confined to immediate or apparent needs for accomplishment of the work assigned to that bureau, and individual accountability for such purchase of a nonexpendable character is properly assigned to a property division in the administrative office or in the auditor's office. It follows that such purchases should be classified statistically as concluded expenditures and have no place in a balance sheet as government assets.

On the other hand, governmental sources of revenue are confined in the main to taxation, customs imposts, sale of or percentage on franchises, etc., and these factors are absent in a mercantile business. Further, the merchant employs his funds or assets without the necessity of recording his intentions, while in governmental bookkeeping it is necessary to so treat receipts and withdrawals that the legislative body

may know what funds are available to be set aside or appropriated for specific purposes, and that the identity of such funds, after appropriation, may be preserved until finally withdrawn and expended, or returned to available funds as not required.

Under the new accounting act the auditor is expected to prescribe the system of detail bookkeeping to be followed by the various bureaus and offices, in addition to prescribing the form and manner in which accounts shall be rendered for purposes of audit. The two propositions are radically different. Even the most experienced accountant and bookkeeper would be exceedingly wary about prescribing a system of bookkeeping for any enterprise without first having had opportunity to acquaint himself thoroughly with the peculiarities and intricacies of the business in order to meet them in the best way. It would require days, and possibly weeks, of actual experience in some of the bureaus having large and varied transactions to formulate and prescribe the best internal system for them. No expert force was provided for this work in the appropriation act, and the amount of work which may be done in this line in the near future is, in consequence, necessarily limited.

The auditor will endeavor to assist the bookkeepers regularly employed in the various bureaus in formulating correct and satisfactory systems, when called upon to do so or when occasion makes such action desirable or necessary.

CUSTOMS DIVISION.^a

All accounts of the bureau of customs and the bureau of navigation are audited in this division.

The accounts received during the fiscal year were as follows:

Revenue.....	294
Expense.....	384
Refund.....	883
Total.....	1,561

The amount involved in the audit of these accounts was ₱22,453,204.92. In addition to the above-mentioned money accounts there were received and audited:

Warehouse and bond accounts.....	36
Merchandise and stamp reports.....	412
Manifests of vessels.....	3,646
Countersigned stub receipts.....	51,181

The customs receipts and expenditures, as shown by accounts rendered to the auditor, including items in suspension, were as follows:

Gross expenditures.....	₱1,281,759.98
Gross collections.....	16,653,623.40
Refundable collections included in above:	
Extra services of employees.....	₱29,491.34
Bonded-warehouse employees.....	6,985.54
Refundable export duty.....	973,402.06
Surplus on auction sales.....	4,284.77
Excess collections refunded:	
Refunds of customs dues paid in excess.....	52,910.30
Refund to officer, collection erroneously charged....	314.78
	1,067,388.79
Total nonrefundable collections.....	15,586,234.61
Duties paid by insular government.....	44,416.14
Total.....	15,541,818.47
Refundable receipts accruing to revenues.....	60,317.22
Net customs revenues collected in the Philippines.....	15,602,135.69

^aGross collections here stated include refundable receipts, and do not include such receipts which remained unclaimed and finally accrue to revenue, nor customs collections in the United States to the credit of the Philippine treasury. Mexican currency collections included in this table were converted at ratios authorized on dates of collection, whereas the uniform ratio of 1.30 to 1, which prevailed when Mexican currency ceased to be received for public dues, was employed in the tabulations elsewhere in this report.

Claims for customs refunds were received and paid by settlement warrant as follows:

Item.	Number.	Amount.
For refund of export duty paid on Philippine products shipped to and consumed in the United States as authorized by act of Congress dated Mar. 8, 1902.	458	P843,366.28
On account of excess collections, due to errors of appraisal and classification and to clerical errors	332	40,652.05
On account of coal consumed on steam vessels, section 224, Act No. 355.....	83	12,258.25
Refund to officer, moneys erroneously charged.....	1	314.78
On account of surplus arising on auction sales, section 283, Act No. 355.....	9	1,242.46
On account of miscellaneous revenue	1	2.46
Total.....	884	897,836.28

On March 8, 1902, the Congress of the United States passed a law to the effect that—

(a) All Philippine products shipped direct to the United States, entered free of duty and consumed therein, shall be free of Philippine export duty;

(b) All duties and taxes collected in the United States upon articles and foreign vessels coming from the Philippines shall be deposited to the credit of the Philippine treasury.

From the date of the enactment of that law to June 30, 1905, the receipts from this source were as follows:

Export duties collected in the Philippines subject to refund.

Period.	Philippine currency.	Mexican currency.
Mar. 8, 1902, to June 30, 1903	P664,993.46	Pfs. 657,602.91
July 1, 1903, to June 30, 1904	802,412.29	113,898.86
July 1, 1904, to June 30, 1905	973,402.06	
Total.....	2,440,807.81	771,501.77

Converting total Mexican currency to Philippine currency at 1.15 to 1, the above totals equal P3,111,678.91.

The dues and taxes collected in the United States for deposit to the credit of the Philippine treasury were as follows:

March 8, 1902, to June 30, 1903.....	\$212,723.99
July 1, 1903, to June 30, 1904	549,161.81
July 1, 1904, ^a to June 30, 1905	534,364.21
Total	1,296,250.01

Converting the total United States currency to Philippine currency at 1 for 2, the above total equals P2,592,500.02.

Total collections in Philippines subject to refund	P3,111,678.91
Total collections in United States for credit of Philippine treasury ..	2,592,500.02
Difference	519,178.89

It is obvious, therefore, that the effect of the act of March 8, 1902, has been in favor of the United States. The past fiscal year, however, shows the receipts in the United States to be in excess of the amount of refundable export duties collected in the Philippines.

The amounts refunded as "excess collections" may be segregated as follows.

Refunds due to decisions of the insular collector on appeal:

Errors of classification.....	P11,461.58
Errors of appraisal	689.72
Clerical errors.....	2,120.31

^a\$13,905.43 net undeposited June 30.

Refunds due to the decisions of the court of customs appeals:

Errors of classification	P2, 664. 34
Errors of appraisal	1, 352. 70
Other refunds:	
On merchandise short shipped for export	15, 140. 18
On merchandise short landed on importation	118. 74
On containers, reexported, section 391, tariff law	3, 304. 20
On commercial samples reexported	912. 26
On merchandise for insular government, free under Act No. 1095...	2, 776. 24
Errors in weighing	59. 42
Unclassified refunds	52. 36
Total	40, 652. 05

The chief of the customs division while on leave in the United States during September, 1904, informally invited the attention of the United States Treasury Department to the fact that no deposit had been made by the United States Government to the credit of the Philippine treasury on account of "Fines, penalties, and forfeitures" collected on Philippine products and foreign vessels from the Philippines, and thereafter such deposits have been regularly made.

The act of March 8, 1902, provides that all collections on account of both duties and taxes collected in the United States upon articles coming from the Philippine Archipelago shall be held as a separate fund and paid into the treasury of the Philippine Islands; but thus far the law has been construed to embrace only duties arising in the customs service, although it seems quite clear that the law was intended to cover all internal revenue collected in the United States on cigars and cigarettes imported from the Philippine Islands and on tobacco imported from the Philippine Islands and manufactured in the United States, as well as on all other articles imported from the Philippine Islands; the proceeds from the sale of all articles from the Philippines seized by customs officers of the United States; all moneys collected in the United States under the provisions of an act of Congress dated August 2, 1882, entitled "the passenger act," from foreign vessels arriving from the Philippine Islands, and all moneys collected in the United States under the provisions of an act of Congress dated August 3, 1882, entitled "An act to regulate immigration," from foreign vessels arriving from the Philippines.

The auditor will take up this question, through the War Department, with the proper accounting officers of the United States Treasury with a view to recovering for the Philippine treasury the amounts which seem to be due on account of taxes collected as stated.

ARRASTRE PLANT.

Arrastre plants are owned and operated by the customs service at the ports of Manila and Jol6. Merchandise is discharged from lighters by means of steam cranes and conveyed to customs warehouses by tramway cars. A fee is collected from the importer for this service of the arrastre. The plants are self-sustaining, as will appear from the following audited statement of receipts and expenditures for the fiscal year 1905:

Item.	Manila.	Jol6.
Receipts	P115, 879. 86	P3, 352. 06
Expenditures	73, 719. 29	1, 464. 98
Excess of receipts over expenditures	42, 160. 57	1, 887. 13

CUSTOMS STAMPS.

Customs stamps were received and issued by the insular collector of customs as follows:

Item.	Received.	Issued.
July 1, 1904, on hand.....	\$106,904.20	.....
July, 1904.....		\$6,321.00
August, 1904.....		5,176.00
September, 1904.....	1,401.00	4,101.00
October, 1904.....	24,000.00	4,396.00
November, 1904.....	25.00	7,401.00
December, 1904.....		3,623.00
January, 1905.....		6,062.50
February, 1905.....		3,584.00
March, 1905.....		4,936.00
April, 1905.....		8,587.50
May, 1905.....	52,500.00	4,549.00
June, 1905.....	2,100.00	2,912.00
June 30, 1905, on hand.....		125,291.20
Total.....	186,930.20	186,930.20

Chinese certificates of registration, Act No. 702.

Item.	Registration.	Landing.
On hand July 1, 1904.....	50,189	19,539
Sold July 1, 1904-June 30, 1905.....	219	544
Balance on hand June 30, 1905.....	49,970	18,995

POSTAL DIVISION.

In this division are settled the postal accounts of all postmasters in the Philippine Islands, the money-order accounts of postmasters at money-order post-offices, the general money-order account with the United States Government, the postage-stamp account of the bureau of posts, and the accounts of the disbursing officer for the bureau of posts and for the Fortin Building.

In the postal ledgers there is kept a personal account with each postmaster in his dual capacity of collecting and disbursing officer, which account also covers his stamp accountability. Separate ledgers are kept for money-order accounts.

Numerous applications for duplicates of money orders lost, stolen, or accidentally destroyed before payment, referred by the director of posts to the auditor for certification, are verified by reference to the money-order records and files. Applications for settlement warrants in lieu of orders remaining unpaid more than one year after the last day of the month of issue are likewise verified and settlements stated. There are now on file in this division approximately 270,000 money orders, aggregating more than \$12,000,000, issued since July 1, 1901, the date of the separation of the Philippine money-order system from that of the United States.

It is pleasing to note that there are fewer delinquencies than formerly on the part of postmasters in regard to the prompt rendition of accounts. The improvement is largely due to the active cooperation of the director of posts. Act No. 1191, providing for quarterly instead of monthly postal accounts, effective as of July 1, 1904, has simplified the settlement of postal accounts.

At the close of the fiscal year there were 417 post-offices, of which number 62 were authorized to transact money-order business.

The postal receipts, as shown by the accounts of the different offices, were ₱273,341.60, and the expenditures were ₱345,080.77, these expenditures being solely for the post-office service as distinguished from the expenses of the bureau of posts.

The value of money orders issued was \$3,444,053.48. The value of money orders paid in the Philippines was \$1,784,820.54, and the value of those paid in the United States was \$1,794,888.53.

Elsewhere in this report under a separate subtitle appears a statement of the money-order transactions of the bureau of posts, and a statement of the general account between the Philippine government and the United States.

Postage-stamp account.

Item and date.	Amount.	Debit.	Credit.
STAMP ACCOUNT OF THE CHIEF OF THE DIVISION OF STAMPS AND SUPPLIES, BUREAU OF POSTS.			
Stock on hand July 1, 1904.....		P 425,629.92	
Received from the United States Post-Office Department:			
July, 1904.....	P 52,267.40		
November, 1904.....	71,458.90		
December, 1904.....	33.60		
April, 1905.....	11.20		
May, 1905.....	78,192.00		
June, 1905.....	4,480.00		
		206,443.10	
Unused and damaged stock returned by postmasters:			
July, 1904.....	220.32		
August, 1904.....	158.40		
September, 1904.....	206.66		
October, 1904.....	464.80		
November, 1904.....	400.92		
December, 1904.....	541.02		
January, 1905.....	47.30		
February, 1905.....	27.04		
March, 1905.....	85.50		
April, 1905.....	82.37		
May, 1905.....	48.44		
June, 1905.....	397.42		
		2,680.19	
Stock transferred to postmasters:			
July, 1904.....	19,112.84		
August, 1904.....	15,386.24		
September, 1904.....	16,357.98		
October, 1904.....	19,975.90		
November, 1904.....	26,425.04		
December, 1904.....	23,236.44		
January, 1905.....	18,608.50		
February, 1905.....	17,614.06		
March, 1905.....	23,110.46		
April, 1905.....	14,863.04		
May, 1905.....	16,253.16		
June, 1905.....	29,966.24		
			P 240,909.90
Loss by unavoidable casualty.....			11.20
Stock on hand June 30, 1905.....			393,632.11
Total.....		634,753.21	634,753.21

MISCELLANEOUS DIVISION.

This division has heretofore audited and settled all revenue and disbursing accounts excepting those pertaining to the customs, postal, and provincial services.

These accounts cover disbursements on account of the following bureaus in addition to miscellaneous appropriations not embodied in the regular appropriation acts, as well as collections from all sources made by the said bureaus:

Philippine Commission, executive bureau, civil service board, insular purchasing agent, bureau of health, quarantine service, bureau of mining, weather bureau, bureau of public lands, bureau of agriculture, bureau of ethnological survey, bureau of government laboratories, bureau of the Philippine civil hospital, the civil sanitarium, signal service, bureau of Philippines constabulary, bureau of prisons, bureau of coast and geodetic survey, bureau of engineering, bureau of the insular treasury, bureau of the insular auditor, bureau of justice, bureau of education, bureau of printing, bureau of archives, bureau of architecture, the American Circulating Library, Official Gazette, education of Filipino students in the United States, custodian of the Santa Potenciana building, superintendent of the Intendencia building, superintendent of the Oriente building, Philippine exposition board, and the city of Manila.

On account of the ramifications of the work of this division and the wide range of appropriations covered, it is impracticable to comment upon each particular phase. The many laws and amendments affecting the various accounts and the constant changes resulting from current legislation require that each examiner must be an experienced accountant and thoroughly familiar with all legislative measures of the Philippine Commission.

A résumé of the work accomplished during the fiscal year 1905 shows that 5,540 monthly accounts were audited and certified, and that in addition thereto 451 certificates covering special settlements were executed.

On account of the provisions of Act No. 619, and the many other legislative measures affecting the finances of the bureau, the accounts of the Philippines Constabulary present many intricate features. The audit of the accounts received from forty or more disbursing officers of this bureau form no small proportion of the work of this division, since each supply officer renders from three to five monthly accounts. The correctness of the special-fund accounts created by Act No. 619 can be determined only by a careful audit of all disbursing accounts involved. The system of commissary accountability prescribed for this bureau is practically the same as that in vogue in the United States Army.

Another account deserving of special mention is that rendered by the insular disbursing agent at Washington. The disbursements therein contained are reported in lump sum, and the audit of this account requires the exercise of careful judgment in the segregation and distribution of the various items of expense to the bureaus concerned.

PROVINCIAL DIVISION.

This division has heretofore been charged with the audit and settlement of the provincial-municipal, internal-revenue-forestry, and internal-revenue-ordinary accounts of the forty-five provincial treasurers, which include the five district treasurers of Moro Province, the internal-revenue-forestry and internal-revenue-ordinary collection accounts of the city assessor and collector of the city of Manila, the accounts of the disbursing officer of the forestry bureau and internal revenue bureau, and the internal-revenue stamp accounts of the collector of internal revenue and the insular treasurer, and the cattle registration-stamp accounts.

During the past year monthly property returns of Congressional relief fund rice have also been received in this division from a number of provinces and examined in connection with the provincial-municipal accounts of provincial treasurers. Under the provisions of Executive Order No. 64, series of 1903, the money value of rice sold or exchanged for services and the expenditure thereof was taken up and accounted for in the provincial-municipal accounts.

In addition to the above, this division received monthly reports from municipal treasurers of their cash transactions, monthly reports of the committees designated under the provisions of Acts Nos. 752 and 1233 to count the cash of provincial treasurers, and monthly deposit and trust-fund accounts of provincial treasurers and statements of their accounts with municipalities. These reports are examined and checked in connection with the settlement of the provincial-municipal accounts.

The number of accounts settled and certified for the fiscal year 1905 were as follows:

Provincial-municipal	681
Internal revenue:	
Forestry	322
Ordinary, Act No. 1189	492
Miscellaneous revenues and disbursing accounts	96
Total	1,591

The accounting act, enacted October 10, 1905, provides for a corps of district auditors whose duty it will be to receive, audit, and settle accounts pertaining to provincial funds. The operation of this new auditing system for provincial accounts will be extended to the various provinces as rapidly as the field examinations can be brought to a current date. The complete establishment of the system is to be accomplished not later than June 30, 1906.

The provincial work heretofore performed by this division will hereafter be done by a new provincial division in charge of the chief district auditor, and hereafter the old provincial division will become the internal-revenue division, and have, in addition, analogous work pertaining to other branches of the service.

INTERNAL REVENUE.

Act No. 1189, Philippine Commission, providing for the collection of internal-revenue taxes, went into operation on August 1, 1904, and taxes became due and were collected from and after that date on matches, cigars, cigarettes, manufactured tobacco, fermented liquors, and distilled spirits.

The following taxes became due and were collected on and after January 1, 1905: Documentary stamp tax, poll or cedula tax, certain license taxes, and taxes on banks and bankers, insurance companies, forestry products, mining concessions granted prior to April 11, 1899, and a tax on business, manufacture, and occupation.

The industrial, cedula, and stamp taxes, formerly collected as joint provincial and municipal revenues, ceased to be collectible after December 31, 1904, and the tax on forestry products, which had formerly been collected as an insular revenue and the proceeds thereof, after deducting the expenses of the forestry bureau, distributed pro rata among the provinces, to be divided equally between the province and the municipalities thereof, became, on and after January 1, 1905, an internal-revenue tax under Act No. 1189.

The internal-revenue taxes assessed and collected by virtue of this act are distributed as follows:

(1) To municipalities in which collected: License taxes on theaters, museums, cockpits, concert halls, pawnbrokers, circuses, and billiard rooms.

(2) To provinces and municipalities jointly: The poll or cedula tax, except in the case of the Moro Province, where the entire collection from the cedula tax accrues, without division, to the province.

(3) The collections from all other internal-revenue taxes are deposited in the insular treasury. Of this amount 75 per cent accrues to the insular government and is deposited as insular revenue, and 25 per cent is deposited as refundable internal revenue and returned to the provinces, 10 per cent to be used for general provincial purposes and 15 per cent to be returned to the municipalities, of which latter sum one-third is devoted to municipal school purposes and the balance to general municipal purposes, except in the Moro Province, where the entire 25 per cent is devoted to general provincial purposes.

The refunds to the provinces and municipalities and to the city of Manila, which, for this purpose, is considered both as a province and as a municipality, are made quarterly by settlement warrant upon the basis of their respective populations according to the census of 1903.

Internal-revenue collections for the fiscal year 1905, and distribution of the proceeds, as provided by law and as above outlined, were as follows:

Collections:

Insular	₱ 3,998,422.00
Joint provincial and municipal (cedulas)	1,394,321.00
Municipal licenses	70,845.35
Total	5,463,588.35

Distribution:

Net amount accruing to insular government, 75 per cent of insular collections	2,998,816.50
Refundable to provinces—	
10 per cent of insular collections ₱ 399,842.20	
One-half of cedula collections. 697,160.50	
	₱ 1,097,002.70
Refundable to municipalities—	
15 per cent of insular collections 599,763.30	
One-half of cedula collections. 697,160.50	
Municipal license collections. 70,845.35	
	1,367,769.15
	2,464,771.85
Total	5,463,588.35

Refunded prior to June 30, 1905:

To provinces—	
10 per cent of insular collections 229,305.35	
One-half of cedula collections. 687,446.50	
	916,751.85

Refunded prior to June 30, 1905—Continued.

To municipalities—

15 per cent of insular collections	₱343,958.01	
One-half of cedula collections...	687,446.50	
Municipal license collections...	69,272.85	
	<hr/>	₱1,100,677.36
		<hr/>
		₱2,017,429.21

Unrefunded balance June 30, 1905:

Due provinces—

10 per cent of insular collections	170,536.86	
One-half of cedula collections...	9,714.00	
	<hr/>	180,250.86

Due municipalities—

15 per cent of insular collections	255,805.28	
One-half of cedula collections...	9,714.00	
Municipal license collections...	1,572.50	
	<hr/>	267,091.78
		<hr/>
		447,342.64

Total amount refundable to provinces and municipalities... 2,464,771.85

The figures contained in this report will not agree with those given by the collector of internal revenue for the reason that the report of the latter is based upon reports from the various municipal treasurers throughout the Archipelago, showing the collections made during ten-day periods, while the figures in this report are based upon the monthly accounts current of the several provincial treasurers, as audited. For the purpose of showing the amount of internal-revenue collections, the collector of internal revenue keeps two abstracts of collections, one temporary and the other permanent. All of the ten-day reports from municipal treasurers received in the office of the collector of internal revenue during any ten-day period are entered in the temporary abstract regardless of the period covered by the report received from any municipal treasurer, and the total is given as the collection for that period. The ten-day reports are later entered in the permanent abstract under the province, municipality, and particular ten-day period to which they pertain. Owing to the remoteness of many municipalities and the difficulty of communication with others, there is considerable delay in receiving the reports from all municipalities for any particular ten-day period. The internal-revenue bureau's permanent abstract for any fiscal year may not be complete until eight or ten months after its close.

For the collection of internal revenue a municipal treasurer is merely a deputy of the provincial treasurer, and is visited at regular intervals by the provincial treasurer or his traveling deputy, who checks his accounts and takes up his collections, which are turned into the provincial treasury. The settlements of the auditor are based upon the monthly accounts rendered by the provincial treasurer, who is the accountable officer. It frequently happens, in the case of remote municipalities, that collections made by the municipal treasurer are not taken up by the traveling deputy, and do not appear in the monthly account current of the provincial treasurer until several weeks, or even months, after the ten-day period during which the collections were made by the municipal deputy. It is obvious, therefore, that any figures given by the collector of internal revenue, whether based upon the temporary or permanent abstract, may not agree with the figures contained in the Auditor's report. The reports of the collector of internal revenue may be regarded as anticipatory with reference to final deposits of available funds in the treasury.

Internal-revenue collections (Act No. 1189.)

Province.	Insular.	Cedulas.	Municipal licenses.	Total.
Abra.....	₱1,483.38	₱4,604.00	₱100.00	₱6,187.38
Albay.....	58,829.47	53,634.00	5,087.50	117,550.97
Ambos Camarines.....	29,473.48	22,907.00	535.00	52,915.48
Antique.....	1,091.35	13,532.00	210.00	14,833.35
Bataan.....	9,450.72	9,948.00	885.00	20,283.72
Batangas.....	17,551.14	44,102.00	1,490.00	63,143.14
Benguet.....	2,449.97	1,527.00	17.50	4,094.47
Bohol.....	4,082.81	38,194.00	1,912.50	44,188.81
Bulacán.....	136,647.76	39,241.00	2,185.00	178,073.76
Cagayán.....	80,220.68	32,430.00	2,780.00	65,380.68
Cápiiz.....	7,794.12	30,489.00	455.00	38,738.12
Cavite.....	13,362.62	31,971.00	1,277.00	46,610.62
Cebú.....	30,921.06	109,473.00	695.00	141,089.06
Ilocos Norte.....	4,108.29	35,974.00	687.50	40,769.79
Ilocos Sur.....	40,151.33	40,249.00	2,257.50	82,657.83
Iloilo.....	78,784.39	82,871.00	3,060.00	164,705.39
Isabela.....	7,576.57	17,745.00	1,560.00	26,881.57
Laguna.....	52,800.50	36,432.00	5,722.50	94,955.00
Lepanto-Bontoc.....	530.83	10,089.00	100.00	10,669.83
Leyte.....	45,726.74	86,040.00	4,060.00	135,816.74
Marbato.....	8,942.60	8,412.00	452.50	12,807.10
Mindoro.....	2,580.25	7,520.00	800.00	10,400.25
Misamis.....	4,841.51	25,178.00	707.50	30,727.01
Moro.....	25,329.03	13,344.00	1,060.83	39,733.86
Nueva Ecija.....	6,968.02	28,516.00	1,685.00	37,169.02
Nueva Vizcaya.....	696.54	4,916.00	100.00	5,712.54
Occidental Negros.....	13,840.46	67,690.00	1,152.50	82,672.96
Oriental Negros.....	4,571.41	31,017.00	8,325.00	38,913.41
Pampanga.....	97,582.77	43,455.00	2,177.50	143,215.27
Pangasinán.....	184,905.41	101,027.00	4,299.16	240,231.57
Palawan.....	2,494.35	4,786.00	200.00	7,480.35
Rizal.....	81,074.64	29,399.00	3,256.04	63,728.68
Romblón.....	6,129.21	9,646.00	212.50	15,987.71
Samar.....	16,082.22	53,296.00	1,563.32	70,891.54
Sorsogón.....	83,146.06	30,054.00	5,325.00	68,525.06
Surigao.....	13,086.29	17,843.00	110.00	31,039.29
Tárlac.....	24,264.97	26,411.00	2,147.50	52,823.47
Tayabas.....	21,937.03	45,560.00	2,072.50	69,569.53
Unión.....	7,268.49	25,688.00	1,352.50	34,308.99
Zambales.....	5,846.68	11,349.00	550.00	17,745.68
City of Manila.....	2,968,897.26	67,732.00	8,790.00	3,040,419.26
Total collections.....	8,998,422.00	1,394,321.00	70,846.35	5,463,588.35
Net insular revenue, 75 per cent of insular collections.....	2,998,816.50			2,998,816.50
Refundable to provinces: 10 per cent of insular collections.....	399,842.20			399,842.20
One-half of cedula collection.....		697,160.50		697,160.50
Refundable to municipalities: 15 per cent of insular collections.....	599,763.30			599,763.30
One-half of cedula collections.....		697,160.50		697,160.50
Municipal license collections.....			70,846.35	70,846.35
Total.....	8,998,422.00	1,394,321.00	70,846.35	5,463,588.35

Refunds of internal-revenue collections to provinces and municipalities under Act No. 1189.

Provinces.	Refunded to provinces.		Refunded to municipalities.			Balance due provinces June 30, 1905.	Balance due municipalities June 30, 1905.	Total.
	10 per cent of insular collections.	One-half of cedula collections.	15 per cent of insular collections.	One-half of cedula collections.	Municipal license collections.			
Abra.....		P2,302.00		P2,302.00	P100.00			P4,704.06
Albay.....	7,217.42	26,817.00	10,826.12	26,817.00	5,087.50	5,867.67	3,051.50	90,184.21
Ambos Camarines.....	7,189.76	11,453.50	10,784.63	11,453.50	535.00	5,347.10	8,020.64	54,784.13
Antique.....	4,029.24	6,766.00	6,043.87	6,766.00	210.00	2,996.59	4,494.89	31,806.59
Bataan.....	1,405.10	4,974.00	2,107.64	4,974.00	885.00	1,044.98	1,667.48	16,959.20
Batangas.....	7,789.64	22,051.00	11,609.45	22,051.00	1,490.00	5,756.05	8,634.08	79,331.22
Benguet.....	683.08	813.50	1,024.60	813.50	17.50	508.01	762.01	4,622.20
Bohol.....	8,085.24	19,097.00	12,127.86	19,097.00	1,912.50	6,013.08	9,019.62	75,352.30
Bulacan.....	6,719.87	19,620.50	10,079.06	19,620.50	2,185.00	4,997.26	7,495.90	70,717.59
Cagayan.....	4,692.13	16,215.00	7,088.20	16,215.00	2,780.00	3,499.59	5,234.38	55,614.30
Capiz.....	6,928.96	15,244.50	10,393.44	15,244.50	455.00	5,153.14	7,729.71	61,149.25
Cavite.....	4,047.65	15,985.50	6,071.49	15,985.50	1,277.00	3,010.28	4,615.42	50,892.84
Cebu.....	19,632.58	54,736.50	29,448.87	54,736.50	695.00	14,600.96	21,901.43	195,751.84
Ilocos Norte.....	5,375.54	17,987.00	8,063.31	17,987.00	687.50	3,997.84	5,996.77	60,094.96
Ilocos Sur.....	7,185.73	20,124.50	10,778.61	20,124.50	2,257.50	5,344.10	8,016.16	73,831.10
Iloilo.....	12,322.49	41,435.50	18,483.72	41,435.50	3,050.00	9,164.36	13,746.55	189,638.12
Isabela.....	2,295.36	8,872.50	3,443.04	8,872.50	1,560.00	1,707.08	2,560.68	29,311.11
Laguna.....	4,462.91	18,216.00	6,694.35	18,216.00	5,722.50	3,319.11	4,978.66	61,609.53
Lepanto-Bontoc.....	2,184.81	5,019.50	3,277.22	5,019.50	100.00	1,624.87	2,437.80	19,663.20
Leyte.....	11,680.02	43,020.00	17,520.08	43,020.00	4,050.00	8,686.56	13,029.83	141,006.43
Masbate.....	1,311.64	4,206.00	1,967.45	4,206.00	452.50	975.48	1,432.22	14,682.29
Mindoro.....	1,188.72	3,760.00	1,783.07	3,760.00	300.00	884.06	1,328.09	10,001.94
Misamis.....	5,189.82	12,589.00	7,784.74	12,589.00	707.50	3,859.72	5,789.59	43,509.87
Moro.....	11,503.37	6,672.00	17,255.06	6,672.00	1,060.83	8,555.18	12,832.76	64,551.20
Nueva Ecija.....	4,028.67	14,258.00	6,043.01	14,258.00	1,685.00	2,996.17	4,494.25	47,763.10
Nueva Vizcaya.....	1,878.22	2,458.00	2,817.33	2,458.00	100.00	1,396.85	2,095.28	13,203.68
Occidental Negros.....	9,257.95	33,840.00	13,886.94	33,840.00	1,152.50	6,885.24	10,327.86	109,190.49
Oriental Negros.....	6,051.22	15,508.50	9,076.84	15,508.50	3,825.00	4,500.36	6,750.53	70,720.95
Pampanga.....	6,719.72	21,727.50	10,079.60	21,727.50	2,177.50	4,997.53	7,496.30	74,925.65
Pangasinan.....	13,289.68	50,513.50	19,984.52	50,513.50	4,299.16	9,883.68	14,825.52	168,256.56
Palawan.....	1,072.02	2,393.00	1,608.02	2,393.00	200.00	797.27	1,195.90	9,559.21
Rizal.....	4,532.49	14,699.50	6,798.73	14,699.50	3,255.04	3,370.86	5,056.23	52,412.40
Romblon.....	1,587.12	4,823.00	2,380.68	4,823.00	212.50	1,180.36	1,770.53	16,777.19
Samar.....	7,995.57	26,648.00	11,993.35	26,648.00	1,563.32	5,946.39	8,919.58	89,714.21
Sorsogon.....	3,618.68	15,027.00	5,428.02	15,027.00	5,335.00	2,691.25	4,086.88	51,153.83
Surigao.....	3,453.11	8,921.50	5,179.67	8,921.50	110.00	3,668.12	3,852.17	33,006.27
Tarlac.....	4,067.46	18,205.50	6,086.19	18,205.50	2,147.50	3,617.65	4,526.47	45,006.27
Tayabas.....	6,148.68	22,775.00	9,223.01	22,775.00	2,072.50	4,572.83	6,859.25	74,428.27
Union.....	4,139.55	12,844.00	6,209.32	12,844.00	1,352.50	3,078.63	4,617.94	45,085.94
Zambales.....	1,799.80	5,674.50	2,692.71	5,674.50	560.00	1,338.53	2,007.80	19,744.84
City of Manila.....	6,604.83	24,152.00	9,907.24	24,152.00	2,217.50	14,626.06	18,654.62	100,314.27
Total.....	229,305.35	687,446.50	343,958.01	687,446.50	69,272.85	180,250.86	267,091.78	2,464,771.85

a In the case of the Moro Province the entire 25 per cent of insular collections and the whole amount of the cedula collections accrue to the provincial treasury without division.

b For the purposes of the refund of internal-revenue collections, the city of Manila is considered both as a province and a municipality.

INTERNAL-REVENUE STAMP ACCOUNT.

During the first half of the fiscal year, from July 1 to December 31, 1904, stamp taxes continued to be collected under the provisions of certain royal decrees and orders of the former Spanish Government and general orders, No. 57, military governor's office, dated March 31, 1900.

In accordance with section 18, Act No. 83, as amended by Act No. 133, all collections from this source in organized provinces became a joint provincial-municipal revenue. These stamps were furnished by the acting collector of internal revenue for the islands to the various provincial treasurers through the insular treasurer.

The internal-revenue law of 1904 provided for the repeal of the existing stamp taxes on and after January 1, 1905, and the substitution thereof of new taxes on documents, cigars, cigarettes, distilled spirits, fermented liquors, manufactured tobacco, matches, banks and bankers, insurance companies, forestry products, Spanish mining concessions, and certain occupations, all of which are collectible by means of the sale and affixture of stamps.

All of the old class of stamps that were in the hands of collecting officers were therefore called in and destroyed and new stamps issued for the collection of the taxes imposed by Act No. 1189. These new stamps consist of two series: Documentary stamps for use on documents, and internal-revenue stamps for use in the collection of all other taxes imposed by Act No. 1189, except the poll or cedula tax.

This act repealed the former cedula tax and provided that after January 1, 1905, every male inhabitant of the Philippine Islands between the ages of 18 and 60, with certain exceptions, should pay an annual tax of ₱1 by purchasing a cedula or certificate of registration before the last Saturday in April (Class A).

Those who neglect to procure a cedula before the last Saturday in April in each year must pay ₱2 (Class B), while all persons arriving in the islands after that date may obtain a cedula (Class D), within twenty days after landing, by paying ₱1. All persons who are exempt from the payment of this tax may obtain a certificate of exemption (Class C).

Account of old internal-revenue stamps.

Item and date.	Amount.	Debit.	Credit.
Stamp stock on hand July 1, 1904.....		₱847,670.56	
Stamp stock returned by provincial treasurers and the city assessor and collector of Manila:			
August, 1904.....	₱200.00		
September, 1904.....	1,690.40		
October, 1904.....	22.00		
November, 1904.....	7,877.15		
January, 1905.....	26,493.15		
February, 1905.....	23,616.80		
March, 1905.....	45,173.13		
April, 1905.....	44,214.22		
May, 1905.....	24,953.12		
June, 1905.....	2,599.48		
Received in exchange for new documentary stamps.....		176,839.45	
Stamp stock transferred to provincial treasurers and the city assessor and collector of Manila:		4,787.62	
July, 1904.....	33,555.00		
August, 1904.....	13,347.50		
September, 1904.....	12,630.00		
October, 1904.....	14,887.50		
November, 1904.....	17,601.25		
December, 1904.....	8,840.00		
February, 1905.....	1.00		
Stamp stock destroyed by committee.....			₱100,862.25
Stamp stock on hand June 30, 1905.....			928,399.37
			36.00
Total.....		1,029,297.62	1,029,297.62

Documentary stamp account (Act No. 1189).

Item and date.	Amount.	Debit.	Credit.
Stamp stock received from the insular treasurer:			
December 7, 1904.....	₱97,040.00		
December 31, 1904.....	86,900.00		
January 6, 1905.....	63,860.00		
January 13, 1905.....	22,200.00		
January 30, 1905.....	12,000.00		
March 2, 1905.....	10,000.00		
March 6, 1905.....	30,000.00		
March 27, 1905.....	30,000.00		
March 29, 1905.....	125,000.00		
June 2, 1905.....	34,000.00		
June 8, 1905.....	2,000.00		
Stamp stock transferred to provincial treasurers:		₱513,000.00	
December, 1904.....	67,692.00		
January, 1905.....	107,238.00		
February, 1905.....	48,564.00		
March, 1905.....	48,850.00		
April, 1905.....	10,811.00		
May, 1905.....	23,832.00		
June, 1905.....	12,606.00		
Stamp stock on hand June 30, 1905.....			₱319,593.00
			193,407.00
Total.....		513,000.00	513,000.00

Internal-revenue stamp account (Act No. 1189).

Item and date	Amount.	Debit.	Credit.
Stamp stock received from the insular treasurer:			
December 21, 1904	P402, 622.24		
January 4, 1905	803, 800.00		
January 17, 1905	1, 027, 800.00		
January 23, 1905	408, 800.00		
February 7, 1905	26, 600.00		
February 10, 1905	200, 000.00		
March 6, 1905	460, 000.00		
March 14, 1905	121, 000.00		
March 18, 1905	787, 475.00		
April 10, 1905	2, 082, 025.00		
April 18, 1905	12, 000.00		
April 18, 1905	26, 000.00		
May 17, 1905	50, 000.00		
June 2, 1905	1, 016, 000.00		
June 8, 1905	80, 000.00		
		P7, 453, 722.24	
Stamp stock returned by the provincial treasurer of Benguet Province		5, 851.00	
Stamp stock transferred to provincial treasurers:			
January, 1905	691, 627.24		
February, 1905	584, 719.00		
March, 1905	1, 441, 444.00		
April, 1905	1, 084, 767.50		
May, 1905	571, 793.00		
June, 1905	578, 914.00		
			P4, 903, 264.74
Stamp stock on hand June 30, 1905.			2, 556, 308.50
Total		7, 459, 573.24	7, 459, 573.24

Internal-revenue cedula account (Act No. 1189).

Item and date.	Class A.	Class B.	Class C.	Class D.
DEBIT.				
Cedula stock received from the insular treasurer:				
December 7, 1904	P750, 000		P10, 000	
January 5, 1905	150, 000			
January 16, 1905	50, 000			
January 23, 1905	50, 000			
February 16, 1905			5, 000	
February 25, 1905	400, 000			
March 24, 1905	100, 000	P500, 000		P10, 000
March 29, 1905	100, 000			
April 18, 1905	50, 000			
June 30, 1905				5, 000
Cedula stock returned by provincial treasurers	12, 149			
Total debit	1, 662, 149	500, 000	15, 000	15, 000
CREDIT.				
Cedula stock transferred to provincial treasurers:				
December, 1904	443, 000		6, 500	
January, 1905	516, 750		3, 250	
February, 1905	226, 750		250	
March, 1905	228, 100	20, 000	1, 000	600
April, 1905	110, 700	125, 000		6, 400
May, 1905	27, 500	33, 000	500	2, 000
June, 1905		27, 300		1, 200
Cedula stock on hand June 30, 1905.	111, 849	294, 700	3, 500	4, 800
Total credit	1, 662, 149	500, 000	15, 000	15, 000

FORESTRY TAX SETTLEMENTS.

Under the provisions of Act No. 527 of the Philippine Commission, the net amount of collections on forestry products made in the provinces and the city of Manila has, since July 1, 1902, been returned pro rata to the provinces from which the products were taken after the entire expenses of conducting the forestry bureau and the service under its control have been deducted from the gross collections.

This law continued in force to December 31, 1904, when the forestry tax became, by Act No. 1189, a part of the new system of internal-revenue taxes, and is thereafter included in the statement of collection and refund of internal revenues.

During the period July 1 to December 31, 1904, the expenses of the forestry bureau, including those former expenses which had not been previously charged against the forestry collections, exceeded the collections made during the same period.

All refunds to taxpayers of erroneous collections and so much of the expenses as equaled the collections have therefore been charged against the collections, and the balance of the expenditures for the period July 1 to December 31, 1904, has been borne by the insular government.

Following is a statement of the forestry collections and refunds, by provinces, to December 31, 1904, with the pro rata of expense, as stated, all in Philippine currency.

Province.	Balance due June 30, 1904.	Collections July 1-December 31, 1904.	Total.	Pro rata expenses of the Forestry Bureau.	Amount refunded to June 30, 1905.	Erroneous collections refunded to taxpayers.	Total.
Abra	₱1,312.29	₱1,977.39	₱3,289.68	₱1,977.39	₱1,312.29		₱3,289.68
Albay	1,554.96	3,611.23	5,166.18	3,611.23	1,554.96		5,166.18
Ambo Camarines	9,768.47	8,783.46	18,551.93	8,783.46	9,768.47		18,551.93
Antique	441.12	390.15	831.27	390.15	441.12		831.27
Bataan	5,011.76	5,128.69	10,140.45	5,128.69	5,011.76		10,140.45
Batangas	328.59	1,032.14	1,360.73	1,032.14	328.59		1,360.73
Benguet		849.30	849.30	849.30			849.30
Bohol	2,242.83	3,806.10	6,048.93	3,806.10	2,242.83		6,048.93
Bulacan	1,670.94	1,790.20	3,461.14	1,790.20	1,670.94		3,461.14
Cagayan	4,496.72	5,934.85	10,431.57	5,934.85	4,496.72		10,431.57
Cápi	522.86	5,942.57	6,465.43	5,942.57	522.86		6,465.43
Cavite	378.03	363.57	741.60	363.57	378.03		741.60
Cebu	1,629.30	1,638.38	3,267.68	1,638.38	1,629.30		3,267.68
Ilocos Norte	1,433.36	1,883.91	3,317.27	1,883.91	1,433.36		3,317.27
Ilocos Sur	682.32	1,030.37	1,712.69	1,030.37	682.32		1,712.69
Iloilo	3,583.52	7,627.46	11,210.98	7,627.46	3,583.52		11,210.98
Isabela	691.53	1,969.53	2,661.06	1,969.53	691.53		2,661.06
Laguna	951.82	4,196.17	5,147.99	4,196.17	951.82		5,147.99
Lepanto-Bontoc		313.06	313.06	313.06		₱463.42	313.06
Leyte	3,962.93	9,674.39	13,637.32	9,674.39	3,529.51		13,637.32
Masbate	5,241.41	4,000.11	9,241.52	4,000.11	5,241.41		9,241.52
Mindoro	5,504.37	5,353.66	10,858.03	5,353.66	5,504.37		10,858.03
Misamis	980.39	2,531.09	3,511.48	2,531.09	980.39		3,511.48
Moro	5,078.45	8,983.94	14,062.39	8,983.94	5,078.45		14,062.39
Nueva Ecija	1,011.22	2,820.79	3,832.01	2,820.79	1,011.22		3,832.01
Occidental Negros	6,213.71	13,550.91	19,764.62	13,550.91	6,213.71		19,764.62
Oriental Negros	462.64	1,250.08	1,712.72	1,250.08	462.64		1,712.72
Palawan	2,170.41	4,850.52	7,020.93	4,850.52	2,170.41		7,020.93
Pampanga	2,163.21	5,407.84	7,571.05	5,407.84	2,163.21		7,571.05
Pangasinan	3,609.41	5,897.95	9,507.36	5,897.95	3,609.41		9,507.36
Rizal	1,305.49	2,859.16	4,164.65	2,859.16	1,305.49		4,164.65
Romblon	512.46	1,916.20	2,428.66	1,916.20	512.46		2,428.66
Samar	1,800.21	2,667.54	4,467.75	2,667.54	1,800.21		4,467.75
Sorsogon	1,582.91	5,618.71	7,201.62	5,618.71	1,582.91		7,201.62
Surigao	799.85	3,727.07	4,526.92	3,727.07	799.85		4,526.92
Tarlac	1,681.31	2,031.68	3,712.99	2,031.68	1,681.31		3,712.99
Tayabas	14,742.79	22,141.27	36,884.06	22,047.92	14,742.79	93.35	36,884.06
Unión	738.61	2,128.30	2,866.91	2,128.30	738.61		2,866.91
Zambales	5,819.52	4,128.92	9,948.44	4,125.72	5,819.52	3.20	9,948.44
Total	102,051.71	169,408.66	271,860.37	169,712.11	101,598.29	549.97	271,860.37

Summary.

Item.	Debit (Philippine currency).	Credit (equivalent in Philippine currency).
Balance June 30, 1904		₱102,051.71
Collections July 1 to December 31, 1904		169,808.66
Expenses of the forestry bureau July 1 to December 31, 1904	₱169,712.11	
Refunds to provinces	101,598.29	
Refunds to taxpayers of erroneous collections	549.97	
Total	271,860.37	271,860.37

LOANS TO PROVINCES.

Following is a statement of the balances due from provinces on account of loans from the insular government on June 30, 1904, the loans made to provinces during the fiscal year 1905, the loans paid during the same period, and the balances due from provinces on this account on June 30, 1905, both to the insular treasury and to the Congressional relief fund. Loans specifically made in Mexican and Spanish-Filipino currency have been reduced to Philippine currency at the ratio of 1.30 to 1, which was the ratio when Mexican currency ceased to be received by the insular government:

Province.	Balance due government June 30, 1904.	Loans made during fiscal year.		Loans paid during fiscal year.		Balance due government June 30, 1905.
		Insular treasury.	Congressional relief fund.	Insular treasury.	Congressional relief fund.	
Albay.....	P25,000.00		P65,000.00			P90,000.00
Antique.....	22,500.00					22,500.00
Abra.....	10,000.00					10,000.00
Ambos Camarines.....	50,000.00					50,000.00
Batangas.....	65,300.00			P2,000.00		63,300.00
Bulacán.....			10,000.00			10,000.00
Cápiz.....	70,000.00					70,000.00
Cavite.....	43,461.53		25,000.00			68,461.53
Cebu.....		P60,000.00				60,000.00
Iloilo.....	50,000.00					50,000.00
Ilocos Sur.....	20,000.00					20,000.00
Misamis.....	5,000.00			5,000.00		
Masbate.....	5,000.00					5,000.00
Mindoro.....	5,000.00					5,000.00
Nueva Ecija.....	27,000.00					27,000.00
Occidental Negros.....	20,000.00					20,000.00
Paragua.....	20,615.38					20,615.38
Pangasinán.....	5,000.00					5,000.00
Rizal.....	7,000.00			2,000.00		5,000.00
Romblón.....	8,000.00				P2,000.00	6,000.00
Samar.....	19,230.77					19,230.77
Sorsogón.....		20,000.00				20,000.00
Surigao.....	4,000.00					4,000.00
Tayabas.....	13,085.00			3,000.00		10,085.00
Unión.....	37,000.00					37,000.00
Zambales.....	10,000.00					10,000.00
Total.....	542,192.68	80,000.00	100,000.00	12,000.00	2,000.00	708,192.68

PROPERTY DIVISION.

This division is charged with the settlement of property returns and all matters coming within the administrative jurisdiction of the auditor under the requirements of Acts Nos. 215 and 909 of the Philippine Commission, which provide that every officer or agent who has public civil property in his charge shall be deemed responsible for the value thereof until relieved from such responsibility pursuant to the provisions of said acts. This division is also charged with the reviewing of all reports of inspectors or committees on condemned property, of which 343 were received and passed upon during the fiscal year.

The returns on hand July 1, 1904, numbered 552, and 2,289 were received during the fiscal year, making a total of 2,821; of these, 2,394 were examined, leaving a total of 427 remaining unaudited at the close of the fiscal year.

Pursuant to a resolution of the Philippine Commission dated March 14, 1905, insular property was transferred to the city of Manila under the supervision of the chief of this division of which the following is a summary, and was subsequently approved by the honorable acting governor-general:

Insular purchasing agent corral.....	P97,946.57
Supplies, insular purchasing agent corral, San Lázaro.....	2,542.18
Constabulary property, Palomar Island.....	6,759.64
Insular cold storage and ice plant.....	3,642.10
Additional insular purchasing agent property.....	4,519.11
Insular purchasing agent stables.....	120,974.99
Constabulary stables, Palomar Island.....	4,254.06

240,638.65

Less 15 per cent, as per resolution of the Commission.....	₱36,095.30
	204,542.85
Insular purchasing agent stock not subject to 15 per cent discount.....	16,823.12
Total	221,365.97

The character of the work done by this division is shown by the number of demands made upon the surety companies on account of shortages in property for which bonded officers are responsible:

Paul Crank, supply officer, Nueva Ecija.....	₱386.13
Edward P. Collins, supply officer, Isabela.....	191.06
Francis M. Fountain, supply officer, Pangasinán.....	1,190.10
Q. R. Gonzales, supply officer, Pampanga.....	271.80
Carel Knip, supply officer, Oriental Negros.....	2,700.67
E. D. Melton, supply officer, Baguio, Benguet.....	3,519.96
L. A. Porter, supply officer, Cavite.....	1,235.81
Vernon H. Taylor, medical supply officer, Samar, Iloilo, Tárlac.....	764.90
John Strain, supply officer, Pangasinán.....	6,374.19
Ward V. Walker, supply officer, Cebu.....	1,655.00
M. H. Burnham, supply officer, Albay.....	1,233.62
G. K. Armstrong, supply officer, Tayabas.....	66.88
J. H. Nelson, supply officer, Nueva Vizcaya.....	159.52
E. R. Knapp, supply officer, Iloilo.....	640.11
Henry Barrett, supply officer, Leyte.....	1,545.47
Guy C. Foote, supply officer, Tayabas.....	73.03
W. P. Buxton, supervisor, Cavite.....	73.00
J. Lawton Taylor, supervisor, Marinduque.....	134.46
Total	22,285.77

PROPERTY LOSSES FROM UNAVOIDABLE CAUSES.

Mr. S. K. Fitzhugh, provincial treasurer of Tayabas, was found to be short of nonexpendable property to the value of ₱172.83. As the loss occurred through no fault of the officer, he was relieved from accountability by written consent of the governor-general, as provided in rule 29 of Act No. 90.

Mr. W. W. Leggett, supervisor of Abra Province, was found short of property to the value of ₱30.60, and relieved in the same manner, as was also Lieut. L. E. McMurry, Philippines Constabulary, of property to the value of ₱198.66.

The claims hereinbefore mentioned do not include several shortages now in course of adjustment for which no claim has as yet been made.

The Philippine system of property accountability is similar to that of the War Department, it having been an inheritance from the military government of the islands. It is a safe system, but open to the possible objection that it necessitates an undue amount of paper work.

The auditor recommends that the system be revised so as to eliminate the requirement for periodical returns covering the fixed, nonperishable, nonexpendable property assets of the government, by requiring them to be permanently listed in the auditor's office and in the various bureaus against officers responsible therefor, thus reducing reports or returns to those covering expendable property, for which special provision should be made according to the nature of the particular service concerned. A much greater latitude should be allowed in accounting for property which in the ordinary course of service legitimately expends itself in use.

REDISTRIBUTION OF DUTIES, BY DIVISIONS.

In view of the changes made by the accounting act a new distribution of duties for the various divisions has been made, analogous accounting or similar systems being thrown into the same division as nearly as practicable. Under this new distribution the accounts of the various bureaus and offices will be examined and settled by divisions as follows;

Bookkeeping division.—Treasurer's general account, treasurer's depository account, and continue as the general record and statistical division.

Customs division.—Bureau of customs, bureau of navigation, bureau of port works, bureau of coast and geodetic survey, bureau of printing, bureau of agriculture, and weather bureau.

Internal-revenue division.—Bureau of internal revenue, city of Manila,¹ bureau of forestry, bureau of justice, and bureau of public works.

Postal division.—Bureau of posts, signal service, bureau of cold storage, bureau of civil service, and bureau of audits.

Miscellaneous division.—Executive bureau, bureau of constabulary, bureau of education, bureau of health, quarantine service, bureau of prisons, bureau of science, bureau of lands, bureau of the treasury, and all miscellaneous accounts not especially enumerated.

Provincial division.—Provincial accounts, until all district auditors are installed, revision of provincial accounts, and supervision of district auditors.

Property division.—Insular property accounts, bureau of supply, and accounts of insular disbursing agent at Washington.

APPROPRIATED MONEYS UNDRAWN JUNE 30, 1905.

The appropriation ledgers of this office on June 30, 1905, showed the following amounts of appropriated moneys to the credit of the various bureaus and offices of the insular government for the fiscal year 1905, all amounts undrawn relating to the fiscal year 1904 and prior years having been previously turned back to the general fund, except one special appropriation as indicated.

Amounts of appropriated moneys to the credit of bureaus, offices, etc., for the fiscal year 1905.

GENERAL FUND.

The executive:

Executive bureau	P7, 133. 98
Philippine civil service board	1, 102. 82
Bureau of the insular purchasing agent	196, 812. 81

Department of the interior:

Board of health	^a 48, 168. 89
Quarantine service	39, 166. 71
Forestry bureau	6, 468. 74
Mining bureau	1, 905. 07
Bureau of public lands	46, 340. 58
Bureau of agriculture	1, 620. 20
Bureau of ethnological survey	3, 376. 47
Bureau of government laboratories	32, 373. 80
Philippine civil hospital .....	. 47
Civil sanitarium, Benguet	1, 676. 81

Department of commerce and police:

Bureau of posts	30, 806. 90
Post-office service	216, 725. 57
Signal service	15, 009. 36
Bureau of Philippines Constabulary	199, 775. 49
Bureau of prisons	98, 699. 28
Bureau of coast guard and transportation	180, 307. 75
Bureau of coast and geodetic survey	293. 80
Bureau of engineering	9, 525. 69

Department of finance and justice:

Bureau of the insular treasurer	130, 245. 42
Bureau of customs and immigration	57, 356. 41
Arrastre division	37, 630. 54
Bureau of internal revenue	50, 443. 57
Bureau of insular cold storage and ice plant	80, 854. 42
Bureau of justice	160. 00

Department of public instruction:

Bureau of education	193, 679. 00
Bureau of public printing	83, 825. 18
Bureau of architecture	77, 756. 77
American Circulating Library	3, 720. 91
Official Gazette	300. 00

^a Additional for the fiscal year 1904 and prior years, P493.68.

Unassigned service:

Exposition board.....	P280, 134. 12
Custodian, Santa Potenciana building.....	1, 001. 44
Superintendent, Oriente building.....	5, 347. 80
Benguet road.....	60. 33
Santa Cruz Estero.....	. 61
Pasig River walls.....	. 44
Loan to province of Oriental Negros.....	20, 000. 00
Provincial government of Paragua.....	1, 660. 00
Invalid money orders.....	5, 024. 80
Overtime services, customs employees.....	2, 277. 14
Services of officers, private bonded warehouses.....	283. 85
Surplus, section 283, Act No. 355.....	4, 170. 97
Refundable export duties.....	871, 317. 48
Section 5 (g), Act No. 436.....	674. 35
Outstanding liabilities.....	2, 565. 24
Insular salary and expense fund.....	78, 860. 18
Old transportation claims.....	1, 119. 72
War emergency rice fund.....	2, 498. 08
San José litigation.....	2, 876. 27
For C. H. Sleeper.....	250. 00
Roads and bridges, Act No. 1.....	17, 355. 85
Education of Filipinos in United States.....	24. 24
Commission of 50 Filipinos to visit St. Louis.....	31, 415. 24
General purposes of insular government at Washington, D. C.....	1, 505. 28
For Felipe G. Calderon.....	200. 00
For 10 employees, Intendencia building.....	20. 00
Refund of provost fees collected at Montalbón.....	1, 100. 00
For collecting librarian.....	1, 000. 00
For United States commission for gold-standard conference in Orient.....	10, 000. 00
For rewards to crew of <i>Landaura</i>	890. 00
For clerk, court of first instance, Mindoro.....	372. 00
For land claims, Mariquina and San Mateo.....	10, 868. 81
For one-third of expenses, Messrs. Burnham and Anderson.....	2, 348. 78
City of Manila:	
Municipal board.....	21, 060. 62
Department of engineering and public works.....	19, 189. 66
Department of assessments and collections.....	11, 538. 01
Fire department.....	43, 150. 48
Law department.....	11, 443. 40
Department of police.....	30, 817. 30
Department of city schools.....	11, 235. 76
City of Manila salary and expense fund.....	33, 997. 66
Public works and permanent improvements.....	158, 389. 17
Department of sewers and waterworks construction.....	4, 523. 38
Total.....	3, 535, 828. 87
Recapitulation, general fund:	
Fiscal year 1905.....	3, 535, 828. 87
Fiscal year 1905, Pfs. 6,445.24, at 1.30 ^a	4, 957. 88
Total fiscal year 1905.....	3, 540, 784. 75
Prior fiscal years.....	493. 68
Grand total.....	3, 541, 278. 43

SPECIAL FUNDS.

Friar-lands fund.....	P8, 230, 114. 32
Gold-standard fund.....	2, 744, 217. 76

^a Mexican currency, outstanding liabilities, \$6,445.24.

Public works and permanent improvements fund:

Bureau of engineering, Wright-Taft road.....	₱35,000.00	
Office of port works—		
Manila Harbor and Pasig River	1,249,276.14	
Port of Cebu	1,067,973.92	
Port of Iloilo	395,899.13	
City of Manila—		
Improvement of Pasig River front	30,915.78	
Loan to city of Manila	350,000.00	
Bureau of coast guard and transportation—		
Light-house service	150,196.74	
General improvement of Engineer Island	30,119.31	
Marine railway and machine shop, Engineer Island	1,774.80	
Bureau of prisons, improvement of Bilibid prison and for a stone quarry	100,000.00	
Benguet improvements	1,694.82	
Quarantine service, quarantine station, Cebu	18,223.15	
Bureau of architecture, public works	103,206.47	
		₱3,534,280.26

Congressional relief fund:

Act No. 738, purchase of draft cattle	44,853.65	
Act No. 786, purchase, sale, and distribution of rice	1,933.92	
Act No. 795, contingent expenses, government laboratories	1,499.67	
Act No. 797, for expenditure under direction of the governor-general	125,126.90	
Act No. 920, Vigan-Bangued road	2,114.30	
Act No. 920, Juan Villaverde trail	42.80	
Act No. 1000, Cebu-Toledo road	159,902.10	
Act No. 1015, Pagbilao-Atimonan road	721.93	
Act No. 1016, Capas-O'Donnell-Iba road	66,398.69	
Act No. 1046, for expenditure under direction of the governor-general	137,515.06	
Act No. 1073, Bay-Tiaong road	35,867.18	
Act No. 1073, Magdalena-Santa Cruz road	15,000.00	
Act No. 1073, Lucena-Sariaya road	8,697.31	
Act No. 1074, Calamba-Los Baños road	198.80	
Act No. 1076, loan to province of Abra	6,000.00	
Act No. 1137, for expenditure under direction of the governor-general	471.82	
Act No. 1198, for expenditure under direction of the governor-general	38,247.95	
Act No. 1220, purchase of draft cattle	19,000.00	
Act No. 1275, construction of public school buildings	322,538.71	
Act No. 1305, for expenditure under direction of the governor-general	6,321.14	
Act No. 1350, for expenditure under direction of the governor-general	14,518.47	
		1,006,970.40
Total		15,515,582.74

RECAPITULATION, ALL FUNDS.

General fund	₱3,541,278.43
Friar-lands fund	8,230,114.32
Gold-standard fund	2,744,217.76
Public works and permanent improvements fund	3,534,280.26
Congressional relief fund	1,006,970.40
Total	19,056,861.17

OUTSTANDING WARRANTS.

Following is a statement, by currencies, of warrants, accountable and settlement, outstanding at the beginning of the fiscal year, the amount issued, the amount paid, the amount canceled, and the amount outstanding June 30, 1905:

Item.	Philippine currency.	Mexican and Spanish-Filipino currency.
Outstanding July 1, 1904:		
Accountable	₱137, 176. 62	.....
Settlement	33, 736. 08	\$21. 43
Total outstanding	170, 912. 70	21. 43
Issued during fiscal year 1905:		
Accountable	46, 961, 565. 58	8, 027, 000. 00
Settlement	13, 625, 504. 62	10, 825. 26
Total issued	60, 587, 070. 20	8, 037, 825. 26
Grand total	60, 757, 982. 90	8, 037, 846. 69
Paid during fiscal year 1905:		
Accountable	47, 081, 684. 36	8, 027, 000. 00
Settlement	13, 580, 705. 90	10, 825. 26
Total paid	60, 662, 390. 26	8, 037, 825. 26
Canceled during fiscal year 1905, settlement	260. 76	.....
Outstanding June 30, 1905:		
Accountable	17, 057. 84	.....
Settlement	78, 274. 04	21. 43
Total outstanding	95, 331. 88	21. 43
Grand total	60, 757, 982. 90	8, 037, 846. 69

Reducing the amount outstanding in Mexican and Spanish-Filipino currency to Philippine currency at the ratio of 0.76923, and adding same to amount shown in the latter currency, will result in a total liability of the government on this account of ₱95,348.36 on June 30, 1905.

BOND ISSUES DURING THE FISCAL YEAR 1905.

There were three bond issues during the fiscal year 1905, as follows:

(1) An issue of \$3,000,000 of a fourth series of certificates of indebtedness under the provisions of section 2 of Act No. 1195 and under the authority of the act of Congress of March 3, 1903, establishing the gold standard in the Philippine Islands.

(2) An issue of \$2,500,000 under the provisions of section 3 of Act No. 1301, pursuant to section 2 of the act of Congress of February 6, 1905, for the purpose of acquiring funds for the payment of the expenses of certain public works and permanent improvements in the Philippine Islands.

(3) An issue of \$1,000,000 under the provisions of section 4 of Act No. 1323, authorizing the city of Manila to incur an indebtedness of \$4,000,000, United States currency, and to issue bonds therefor to provide funds to construct an adequate water, sewer, and drainage system in the city of Manila.

The first issue of \$3,000,000 was in coupon form in denominations of \$1,000, dated September 1, 1904, and bear interest at the rate of 4 per cent per annum, payable quarterly and redeemable in one year after date of issue. The whole issue was taken by Mr. M. L. Turner, of Oklahoma City, Okla., at 101.410 per hundred, the principal and premium amounting to ₱6,084,600. This issue was retired on August 31, 1905, and a new issue of \$1,500,000 made.

The second issue of \$2,500,000, for insular public works and improvements, was in the form of registered bonds, in denominations of \$1,000 to \$10,000, dated March 1, 1905, bearing interest at 4 per cent per annum, payable quarterly, and redeemable at the pleasure of the Philippine government after ten years, and payable in thirty years. The entire issue was taken by the Mercantile Trust Company, of St. Louis, Mo., the successful bidder, the proceeds being ₱5,460,608.70.

The third issue, of \$1,000,000, known as city of Manila waterworks and sewer bonds, was dated June 1, 1905, redeemable June 1, 1915, and payable June 1, 1935, with

interest at 4 per cent per annum, payable quarterly, on the 1st days of September, December, March, and June of each year. The entire issue was sold to the New First National Bank, of Columbus, Ohio, at 109.5625 per hundred. The proceeds amounted to ₱2,191,250.

BONDS RETIRED DURING THE FISCAL YEAR.

The second and third issues of certificates of indebtedness, amounting to \$6,000,000 or ₱12,000,000, were retired during the fiscal year.

There were outstanding June 30, 1905, the fourth series of certificates, amounting to \$3,000,000 (retired August 31, 1905); the public works and permanent-improvement bonds, \$2,500,000, payable after ten years and due in thirty years; the Manila waterworks and sewer bonds, \$1,000,000, payable after ten years and due in thirty years, and the 10-30 friar-lands bonds amounting to \$7,000,000.

NEW COINAGE RECEIVED DURING THE FISCAL YEAR.

During the fiscal year ₱12,142,546 of new coinage was received from the mint and taken into the treasury, making a total coinage received from the date of the passage of the act to June 30, 1905, of ₱31,984,040.56.

CHANGES IN RATIO BETWEEN MEXICAN OR SPANISH-FILIPINO CURRENCY AND PHILIPPINE CURRENCY.

On July 1, 1904, the beginning of the fiscal year, the official ratio between Mexican or Spanish-Filipino currency and Philippine currency was pfs. 1.10 of the former to ₱1 of the latter.

During the fiscal year the following changes occurred: July 1, 1904, 1.13 to 1; August 1, 1904, 1.10 to 1; October 1, 1904, 1.18 to 1; December 22, 1904, 1.14 to 1; January 9, 1905, 1.20 to 1; April 1, 1905, 1.25 to 1; May 1, 1905, 1.30 to 1.

The last-named ratio was in effect at the close of the fiscal year and is still in force at this time.

Mexican or Spanish-Filipino currency has not been received at the treasury for public dues or repayments by accountable officers since September 30, 1904. On transactions from that date preliminary exchanges of the Mexican currency have been effected at the ratio obtaining at the time the payments were made and the proceeds in Philippine currency taken up on the treasurer's general account.

RIZAL MONUMENT FUND.

Under the provisions of Act No. 243 of the Commission the insular treasurer is the custodian of the funds collected for the purpose of erecting, on the Luneta in Manila, a monument to José Rizal, the Filipino patriot, scientist, and author.

The receipts and expenditures of the insular treasurer on this account for the fiscal year were as follows:

Item.	Philippine currency.	Mexican currency.
Balance July 1, 1904.....	₱61,781.71	\$892.22
Total deposits fiscal year.....	45,313.60	2.00
Exchanges of currency.....	791.34	
Total.....	107,886.65	894.22
Total disbursements.....	120.01	
Exchanges of currency.....		894.22
Balance on hand.....	107,766.64	
Total.....	107,886.65	894.22

ESTATES OF DECEASED EMPLOYEES.

Under the provisions of Act No. 280 of the Commission the insular treasurer was made administrator of the estates of employees of the insular government, citizens of the United States who may die in the service, when such estates do not exceed in value \$500. The treasurer is authorized to take possession of the effects of deceased employees, receive all salary due or accrued on account of earned leave, and to pay all expenses of interment here or shipment of the remains to the United States, as

may be desired. He settles all of a decedent's just debts in the islands and pays over any balance remaining to the next of kin. Under the provisions of the reorganization act this work is taken over by the attorney-general November 1, 1905.

Following is a statement of the funds handled during the fiscal year:

Item.	Philippine currency.	United States currency.	Mexican currency.
Balance July 1, 1904.....	₱5,307.56	\$987.05	\$2,191.62
Total deposits.....	11,877.04		
Exchanges.....	2,764.45		
Total.....	19,949.05	987.05	2,191.62
Total disbursements.....	8,644.17	110.00	1,024.92
Exchanges.....		877.05	1,141.70
Balance on hand.....	11,304.88		25.00
Total.....	19,949.05	987.05	2,191.62

CATTLE-REGISTRATION STAMP ACCOUNT OF THE INSULAR TREASURER.

Item and date.	Amount.	Debit.	Credit.
Stock received from public printer:			
July 18, 1904.....	₱200,000.00		
September 26, 1904.....	100,000.00		
December 17, 1904.....	200,000.00		
April 29, 1905.....	300,000.00		
		₱800,000.00	
Stock transferred to provincial treasurers:			
August, 1904.....	200,000.00		
October, 1904.....	71,500.00		
November, 1904.....	20,500.00		
December, 1904.....	43,300.00		
January, 1905.....	82,900.00		
February, 1905.....	28,000.00		
March, 1905.....	23,400.00		
April, 1905.....	16,500.00		
May, 1905.....	53,500.00		
June, 1905.....	50,000.00		
			₱589,600.00
Stock on hand June 30, 1905.....			210,400.00
Total.....		800,000.00	800,000.00

Act No. 1147, passed May 3, 1904, provided that from and after July 1, 1904, there should be affixed to each certificate of the ownership and transfer of large cattle a special kind of stamp of the value of ₱1. These stamps must be purchased by the owners of the cattle, and the money received from the sale of cattle-registration stamps becomes a purely municipal revenue.

PAYMENT BY SURETIES ON ACCOUNT OF SHORTAGES.

The following payments were made during the fiscal year by sureties on account of defaulting officers:

Name.	Position.	Location.	Amount.
I. Gintzler.....	Supply officer.....	Cebu.....	\$1,400.90
Antonio Javier.....	Municipal and deputy provincial treasurer.....	Imus, Cavite.....	1,348.74
J. W. Walsh.....	Supply officer.....	Masbate.....	6,000.00
Ward V. Walker.....	do.....	Cebu.....	1,899.82
C. G. Johnson.....	do.....	Misamis.....	1,457.55
Carel Knip.....	do.....	Oriental Negros.....	6,000.00
B. French.....	Postmaster.....	Jolo.....	656.88
A. Paguia.....	Municipal and deputy provincial treasurer.....	Calumpit.....	690.67
C. H. Wax.....	Disbursing officer, Lake Lanao and Moro exhibit.....	St. Louis, Mo.....	326.72
J. H. Ray.....	Postmaster.....	Batangas.....	1,242.49
Total.....			21,023.57

LOSSES BY THEFT, BURGLARY, AND OTHER CASUALTIES.

During the fiscal year allowances under rules 28 and 29 of Act No. 90 were made on account of losses by theft, burglary, and other unavoidable casualties to officers not responsible therefor, amounting to \$3,483.88, Mexican currency, and ₱11,439.90 Philippine currency.

SEGREGATION OF THE INSULAR TREASURER'S CASH BALANCE ON JUNE 30, 1905.

[As to general and special funds and outstanding warrants, and exclusive of depository funds.]

Fund.	Appropriations undrawn.	Available for appropriation.	Outstanding warrants.	Insular treasurer's cash balance.
General fund	₱8,541,278.43	₱585,021.36	₱95,348.37	₱4,221,648.16
Congressional relief fund.....	1,008,970.40	1,228.53	.....	1,008,198.93
Gold-standard fund.....	2,744,217.76	4,719,500.98	.....	7,463,718.74
Friar-lands fund.....	8,230,114.82	.....	.....	8,230,114.82
Public works and permanent improvements fund.....	3,584,280.26	124,814.62	.....	3,659,094.88
Manila sewer and waterworks construction fund.....	.....	2,191,250.00	.....	2,191,250.00
Total.....	19,056,861.17	7,621,815.49	95,348.37	26,774,025.03

THE INSULAR BALANCE SHEET.

The balance sheet following exhibits the financial standing of the insular government on June 30, 1905, with its relation as debtor or creditor to the several special accounts as noted. The results shown relate solely to cash transactions, the items of unexpendable property on hand and unliquidated claims for account of and against the government not being considered. Property accountability is carried as such with the individual having control of same by purchase or transfer, and is not included as a government asset. Unliquidated claims in behalf of and against the government are matters of bureau administration, and are not required by law to be reported to the insular auditor.

Unconsolidated balance sheet of the financial condition of the government of the Philippine Islands on June 30, 1905, showing transactions of the fiscal year 1905 in detail, and including Mexican and Spanish-Philippine currency transactions at the ratio of 0.76523 to 1.

Reference to pages in report.	General ledger accounts.	Insular treasury transactions and distribution of available funds.		Revenues and expenditures of the fiscal year 1905.		Resources and liabilities on June 30, 1905.		Surplus and deficiency account.	
		Debit.	Credit.	Debit.	Credit.	Debit.	Credit.	Debit.	Credit.
274-283	Balances from previous years	₱58,230,490.22							
	Receipts at the treasury	245,222,390.36							
271	Withdrawals from the treasury		₱258,620,547.71						₱7,686,096.89
283	Available for appropriation		7,621,815.49						
	Appropriation withdrawn		19,056,861.17						
	Available for refundment or redemption, depository funds and silver-certificates reserve		23,153,646.20						
289-292	Customs revenues			₱16,480,926.02					
299-311	Postal revenues			273,841.60					
295	Forestry revenue (consolidated with internal revenue as of Jan. 1, 1905)								
288-289	Internal revenue			67,600.40					
288-318	Miscellaneous revenues			2,916,737.05					
313	Apparent gain in exchange of currency due to arbitrary expression			2,810,964.86			₱447,842.64		
288-318	Expenditures on account of the insular government	₱24,291,167.58		542,768.51					
317	Allowances to accommodate officers for losses of funds		1,431.82						
318	Allowances in liquidation and mitigation of claims (rule 28, Act No. 90)								
317	Payments to provinces		12,685.99						
317	Excess deposits in the insular treasury		192,423.27						
314	Spanish-aided funds								
288	Spanish-aided funds								
	Balance in the hands of cash			72.80					
	Balance in the hands of cash			7,500.00					
325	lecting and disbursing officers					₱49,927,671.23			
319	Gold-standard fund (account purchase and coinage of silver bullion and alloy)					2,592,686.46			
							865,112.42		

16450926.07
29157370.5
271316663.07

THE INSULAR TREASURY.

TREASURY STATEMENT.

GENERAL-REVENUE ACCOUNT OF THE TREASURER.

The following is the general-revenue account of the treasurer of the islands, by months, as audited. The new Philippine currency having a fixed and permanent value in its relation to United States currency at the ratio of 2 to 1, the account as stated in Philippine currency includes all transactions in United States currency on this basis.

This statement of deposits in and withdrawals from the treasury embraces all transactions at the treasury, within the fiscal year 1905, without reference to the period for which the deposited collections were made and also without reference to the fiscal year for the service of which funds were withdrawn for expenditure.

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905.

JULY, 1904.

Item.	Philippine currency.	Mexican or Spanish-Filipino currency.
DEBIT.		
Balance due government July 1, 1904.....	P30,689,081.93	\$2,532,245.37
Deposits on account of—		
Customs revenue.....	1,239,824.08	1,913.19
Postal revenue.....		
Internal revenue.....	31,298.09	1,368.45
Miscellaneous revenue.....	257,613.61	1,287.22
City of Manila revenue.....	367,660.34	9,259.00
Payments and repayments to appropriations.....	1,131,985.03	834.76
New Philippine coin.....	28.00	
Premium on New York drafts.....	1,251.29	
Currency received in exchange for the equivalent in other currency..	1,234,573.82	255,364.60
Total debit.....	34,958,306.14	2,802,272.59
CREDIT.		
Withdrawals by accountable warrants.....	3,511,679.86	1,102,000.00
Withdrawals by settlements warrants.....	474,313.18	170.26
Currency given in exchange for the equivalent in other currency...	1,460,556.87	4,790.70
Balance due government July 31, 1904.....	29,506,766.23	1,695,311.63
Total credit.....	34,958,306.14	2,802,272.59

AUGUST, 1904.

DEBIT.		
Balance due government Aug. 1, 1904.....	P29,506,756.23	\$1,695,311.63
Deposits on account of—		
Customs revenue.....	1,244,715.15	1,804.34
Postal revenue.....	63,684.49	
Internal revenue.....	27,063.62	1,862.56
Miscellaneous revenue.....	164,224.98	288.26
City of Manila revenue.....	151,329.78	5,764.00
Payments and repayments to appropriations.....	839,023.95	2,544.37
New Philippine coin.....	1,514,355.00	
Premium on New York drafts.....	2,775.00	
Currency received in exchange for the equivalent in other currency..	2,531,158.88	509,902.77
Total debit.....	36,045,087.03	2,216,977.93
CREDIT.		
Withdrawals by accountable warrants.....	9,298,188.65	430,000.00
Withdrawals by settlement warrants.....	504,612.40	
Withdrawals by postal covering-in warrant.....	63,684.49	
Currency given in exchange for the equivalent in other currency...	2,991,841.45	
Balance due government Aug. 31, 1904.....	23,186,760.04	1,786,977.93
Total credit.....	36,045,087.03	2,216,977.93

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905—
Continued.

SEPTEMBER, 1904.

Item.	Philippine currency.	Mexican or Spanish-Filipino currency.
DEBIT.		
Balance due government Sept. 1, 1904.....	₱23,186,760.04	\$1,786,977.93
Deposits on account of—		
Customs revenue.....	1,129,256.09	31,346.70
Postal revenue.....		
Internal revenue.....	22,457.07	1,749.58
Miscellaneous revenue.....	121,890.21	463.58
City of Manila revenue.....	107,391.33	16,700.00
Payments and repayments to appropriations.....	996,206.59	101.72
New Philippine coin.....	1,823,000.00	
Premium on New York drafts.....	2,500.70	
Proceeds from sale of fourth series, certificates of indebtedness, issue of ₱6,000,000.....	6,084,600.00	
Currency received in exchange for the equivalent in other currency.....	1,115,795.96	488,260.70
Total debit.....	34,094,847.99	2,325,600.21
CREDIT.		
Withdrawals by accountable warrants.....	3,023,909.90	1,055,000.00
Withdrawals by settlement warrants.....	527,602.09	
Currency given in exchange for the equivalent in other currency.....	1,558,428.65	640.00
Balance due government Sept. 30, 1904.....	28,984,907.35	1,269,960.21
Total credit.....	34,094,847.99	2,325,600.21

OCTOBER, 1904.

DEBIT.		
Balance due government Oct. 1, 1904.....	₱28,984,907.55	\$1,269,960.21
Deposits on account of—		
Customs revenue.....	1,580,115.43	24,868.06
Postal revenue.....		
Internal revenue.....	451,056.99	1,621.62
Miscellaneous revenue.....	101,479.27	4.90
City of Manila revenue.....	286,493.65	1,093.50
Payments and repayments to appropriations.....	1,326,552.65	2,528.71
New Philippine coin.....	2,255,892.00	
Premium on New York drafts.....	1,771.14	
Currency received in exchange for the equivalent in other currency.....	1,562,625.46	123,843.82
Total debit.....	36,550,893.94	1,423,920.82
CREDIT.		
Withdrawals by accountable warrants.....	2,977,457.22	950,000.00
Withdrawals by settlement warrants.....	5,499,271.74	655.00
Currency given in exchange for the equivalent in other currency.....	1,672,088.90	
Balance due government Oct. 31, 1904.....	26,402,076.08	473,265.82
Total credit.....	36,550,893.94	1,423,920.82

NOVEMBER, 1904.

DEBIT.		
Balance due government Nov. 1, 1904.....	₱26,402,076.08	\$473,265.82
Deposits on account of—		
Customs revenue.....	1,225,608.29	169.54
Postal revenue.....		
Internal revenue.....	236,122.59	3,608.78
Miscellaneous revenue.....	252,377.75	
City of Manila revenue.....	148,429.46	
Payments and repayments to appropriations.....	609,536.90	466.77
New Philippine coin.....	183,148.00	
Premium on New York drafts.....	33.50	
Currency received in exchange for the equivalent in other currency.....	4,780,185.27	139,374.14
Total debit.....	33,837,512.84	616,885.06

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905—
Continued.

NOVEMBER, 1904—Continued.

Item.	Philippine currency.	Mexican or Spanish-Philippine currency.
CREDIT.		
Withdrawals by accountable warrants	P2,814,383.04	\$250,000.00
Withdrawals by settlement warrants	178,352.69	.....
Currency given in exchange for the equivalent in other currency...	4,901,875.59	724.32
Allowances under rule 28, Act No. 90	615.18	.....
Balance due government Nov. 30, 1904.....	25,942,286.34	366,160.73
Total credit	33,837,512.84	616,885.05

DECEMBER, 1904.

DEBIT.		
Balance due government Dec. 1, 1904.....	P25,942,286.34	\$366,160.73
Deposits on account of—		
Customs revenue	1,414,924.42	552.02
Postal revenue	131,263.56	.....
Internal revenue	262,904.45	838.16
Miscellaneous revenue	169,209.07	31.90
City of Manila revenue	362,354.29	.....
Payments and repayments to appropriations.....	625,171.74	730.97
New Philippine coin.....	1,359,560.00	.....
Premium on New York drafts	2.76	.....
Currency received in exchange for the equivalent in other currency.	2,465,431.45	747,218.36
Total debit.....	32,713,108.08	1,115,032.14
CREDIT.		
Withdrawals by accountable warrants	2,998,330.26	175,000.00
Withdrawals by settlement warrants	523,462.13	10,000.00
Withdrawals by postal covering-in warrants	131,263.56	.....
Currency given in exchange for the equivalent in other currency...	3,111,653.38	9,750.30
Balance due government Dec. 31, 1904.....	25,953,398.75	920,281.84
Total credit.....	32,713,108.08	1,115,032.14

JANUARY, 1905.

DEBIT.		
Balance due government Jan. 1, 1905.....	P25,953,398.75	\$920,281.84
Deposits on account of—		
Customs revenue	1,329,624.72	.....
Postal revenue .....	.....	.....
Internal revenue	474,885.48	.....
Miscellaneous revenue	122,028.90	.....
City of Manila revenue	198,281.84	.....
Payments and repayments to appropriations.....	788,730.28	31.64
New Philippine coin.....	423,176.00	.....
Premium on New York drafts .....	.....	.....
Currency received in exchange for the equivalent in other currency.	4,963,960.70	483,763.95
Total debit.....	34,249,086.67	1,404,077.43
CREDIT.		
Withdrawals by accountable warrants	2,542,335.46	500,000.00
Withdrawals by settlement warrants	741,149.11	.....
Currency given in exchange for the equivalent in other currency...	5,290,823.41	102,061.89
Balance due government Jan. 31, 1905.....	25,674,778.69	802,015.54
Total credit.....	34,249,086.67	1,404,077.43

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905—
Continued.

FEBRUARY, 1905.

Item.	Philippine currency.	Mexican or Spanish-Filipino currency.
DEBIT.		
Balance due government Feb. 1, 1905	₱25,674,778.69	\$802,015.54
Deposits on account of—		
Customs revenue	1,180,714.71	.....
Postal revenue .....	.....	.....
Internal revenue	402,918.67	.....
Miscellaneous revenue	241,599.62	.....
City of Manila revenue	99,765.77	.....
Payments and repayments to appropriations	595,639.89	.....
New Philippine coin	1,117,587.00	.....
Premium on New York drafts	75.00	.....
Currency received in exchange for the equivalent in other currency	2,817,249.70	631,712.70
Total debit	32,080,328.95	1,433,728.24
CREDIT.		
Withdrawals by accountable warrants	2,900,243.95	1,000,000.00
Withdrawals by settlement warrants	2,417,907.29	.....
Currency given in exchange for the equivalent in other currency	3,316,779.21	51,063.50
Balance due government Feb. 28, 1905	23,445,398.50	382,674.74
Total credit	32,080,328.95	1,433,728.24

MARCH, 1905.

DEBIT.		
Balance due government Mar. 1, 1905	₱23,445,398.50	\$382,674.74
Deposits on account of—		
Customs revenue	1,657,324.50	.....
Postal revenue .....	.....	.....
Internal revenue	438,828.44	.....
Miscellaneous revenue	146,906.13	.....
City of Manila revenue	161,615.41	.....
Payments and repayments to appropriations	815,626.85	.....
New Philippine coin	1,042,000.00	.....
Premium on New York drafts	124.66	.....
Proceeds from sale of public works and permanent-improvement bonds, issue of ₱5,000,000	5,460,608.70	.....
Currency received in exchange for the equivalent in other currency	2,945,797.26	867,104.53
Total debit	36,114,230.45	1,249,779.27
CREDIT.		
Withdrawals by accountable warrants	2,793,677.19	900,000.00
Withdrawals by settlement warrants	663,449.44	.....
Currency given in exchange for the equivalent in other currency	3,578,574.41	126,146.12
Balance due government Mar. 31, 1905	29,078,529.41	223,633.15
Total credit	36,114,230.45	1,249,779.27

APRIL, 1905.

DEBIT.		
Balance due government Apr. 1, 1905	₱29,078,529.41	\$223,633.15
Deposits on account of—		
Customs revenue	1,341,219.29	.....
Postal revenue .....	.....	.....
Internal revenue	629,227.85	.....
Miscellaneous revenue	156,391.08	.....
City of Manila revenue	146,960.57	.....
Payments and repayments to appropriations	706,003.15	.....
New Philippine coin	679,000.00	.....
Premium on New York drafts	6,171.23	.....
Currency received in exchange for the equivalent in other currency	3,508,457.48	746,992.69
Total debit	36,251,969.61	970,625.84

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905—
Continued.

APRIL, 1905—Continued.

Item.	Philippine currency.	Mexican or Spanish-Philippine currency.
CREDIT.		
Withdrawals by accountable warrants	P9,290,825.25	\$600,000.00
Withdrawals by settlement warrants	571,573.28	.....
Currency given in exchange for the equivalent in other currency...	4,043,062.81	112,500.00
Balance due government Apr. 30, 1905.....	22,846,498.27	258,125.84
Total credit.....	36,251,969.61	970,625.84

MAY, 1905.

DEBIT.		
Balance due government May 1, 1905	P22,346,498.27	\$258,125.84
Deposits on account of—		
Customs revenue.....	1,647,187.08	.....
Postal revenue.....	301,285.10	.....
Internal revenue.....	542,819.47	.....
Miscellaneous revenue.....	301,285.10	.....
City of Manila revenue.....	175,760.72	.....
Payments and repayments to appropriations.....	812,899.34	.....
New Philippine coin.....	1,537,800.00	.....
Premium on New York drafts.....	13,853.69	.....
Currency received in exchange for the equivalent in other currency.	4,249,803.44	648,546.71
Total debit.....	31,627,907.11	906,672.55
CREDIT.		
Withdrawals by accountable warrants	2,299,198.68	715,000.00
Withdrawals by settlement warrants	808,836.70	.....
Currency given in exchange for the equivalent in other currency...	4,686,758.60	120,600.00
Balance due government May 31, 1905.....	23,838,113.13	71,072.55
Total credit.....	31,627,907.11	906,672.55

JUNE, 1905.

DEBIT.		
Balance due government June 1, 1905	P23,838,113.13	\$71,072.55
Deposits on account of—		
Customs revenue.....	1,411,270.55	.....
Postal revenue.....	54,620.09	.....
Internal revenue.....	529,881.85	.....
Miscellaneous revenue.....	146,301.12	.....
City of Manila revenue.....	672,641.90	.....
Payments and repayments to appropriations.....	561,578.63	.....
New Philippine coin.....	702,000.00	.....
Premium on New York drafts.....	15,225.98	.....
Proceeds from sale of Manila water supply and sewerage bonds, issue of P2,000,000.....	2,191,250.00	.....
Currency received in exchange for the equivalent in other currency.	5,065,506.75	482,064.81
Total debit.....	35,188,385.06	553,137.36
CREDIT.		
Withdrawals by accountable warrants	2,386,886.78	850,000.00
Withdrawals by settlement warrants	675,175.85	.....
Withdrawals by postal covering-in warrants	54,620.09	.....
Currency given in exchange for the equivalent in other currency...	5,407,629.15	60,200.00
Balance due government June 30, 1905.....	26,664,073.21	142,937.36
Total credit.....	35,188,385.06	553,137.36

General-revenue account of the insular treasurer for the fiscal year ended June 30, 1905—
Continued.

RECAPITULATION.

Item.	Philippine currency.	Mexican or Spanish-Philippine currency.
DEBIT.		
Balance due government July 1, 1904.....	₱80,689,081.93	\$2,632,245.87
Deposits on account of—		
Customs revenue.....	16,351,779.28	60,153.85
Postal revenue.....	249,568.14	.....
Internal revenue.....	4,039,483.97	10,549.15
Miscellaneous revenue.....	2,171,296.80	2,075.86
City of Manila revenue.....	2,878,875.08	32,816.50
Payments and repayments to appropriations.....	9,808,950.05	7,238.94
New Philippine coin.....	12,142,546.00	.....
Premium on New York drafts.....	43,785.00	.....
Proceeds from sale of fourth series, certificates of indebtedness, issue of ₱6,000,000.....	6,084,600.00	.....
Proceeds from sale of public works and permanent-improvement bonds, issue of ₱5,000,000.....	5,460,608.70	.....
Proceeds from sale of Manila water supply and sewerage bonds, issue of ₱2,000,000.....	2,191,250.00	.....
Currency received in exchange for the equivalent in other currency.....	37,240,546.17	6,124,149.78
Total debit.....	129,347,151.08	8,769,229.45
CREDIT.		
Withdrawals by accountable warrants.....	46,832,116.22	8,028,000.00
Withdrawals by settlement warrants.....	13,580,705.90	10,825.28
Withdrawals by postal covering-in warrants.....	249,568.14	.....
Allowance under rule 28, Act No. 90.....	615.18	.....
Currency given in exchange for the equivalent in other currency.....	42,020,072.48	588,466.88
Balance due government June 30, 1905.....	26,664,073.21	142,937.36
Total credit.....	129,347,151.08	8,769,229.45

COMPARATIVE TREASURY STATEMENT, FISCAL YEARS 1899-1905.

The following is a comparative statement of deposits and withdrawals at the insular treasury by fiscal years from the date of American occupation, in August, 1898, to June 30, 1905, expressed in Philippine currency. The treasurer's account for the fiscal year 1905, elsewhere stated in the currencies actually involved, is here, for the purpose of comparison, converted at the ratio of 1.30 to 1, the official ratio at the close of the fiscal year. From this statement has been excluded the sum of \$455,093.49, the estimated United States currency value of seized funds in the treasury, as a part of the treasurer's balance until June 30, 1901, at which time the funds were taken over to a special account, and taken up later in the treasurer's general account as the items were sold and became available.

Comparative treasury statement, fiscal years 1899-1905.

Item.	Fiscal year ended June 30—			
	1899.	1900.	1901.	1902.
DEBIT.				
Balance due government beginning of the year.....		₱738,959.02	₱4,046,834.76	₱12,445,825.56
Total deposits on account of—				
Customs revenue.....	₱6,167,300.90	11,364,530.42	18,254,010.04	16,816,170.75
Postal revenue.....		36,000.00	190,031.24	200,434.68
Internal revenue.....	490,430.16	1,045,151.32	1,864,969.82	536,222.58
Miscellaneous revenue.....	269,432.62	1,091,738.84	1,324,449.52	1,203,502.50
City of Manila revenue.....				2,135,743.25
Payments and repayments to appropriations.....			893,173.52	6,560,138.16
Philippine pesos coined from bullion purchased.....				
Premium on New York drafts.....				
Proceeds from sale of certificates of indebtedness and premium thereon.....				

Comparative treasury statement, fiscal years 1899-1905—Continued.

Item.	Fiscal year ended June 30—			
	1899.	1900.	1901.	1902.
DEBIT—continued.				
Total deposits on account of—Cont'd.				
Proceeds from sale of public works and permanent-improvement bonds, issue of ₱5,000,000				
Proceeds from sale of Manila water supply and sewerage bonds, issue of ₱2,000,000				
Relief fund voted by United States Congress				
Sale of friar-land bonds and premium thereon				
Total debit	₱6,927,163.58	₱14,276,379.60	₱26,573,468.90	₱39,898,037.16
CREDIT.				
Total withdrawals	6,188,204.56	10,229,544.84	14,127,643.84	26,722,641.41
Allowance under rule 28, Act No. 90				
Total net differences due to change of official rates of exchange in conversion of Mexican to Philippine currency				1,185,382.76
Balance due government at close of year	738,969.02	4,046,834.76	12,445,825.56	11,990,012.99
Total credit	6,927,163.58	14,276,379.60	26,573,468.90	39,898,037.16

Item.	Fiscal year ended June 30—		
	1903.	1904.	1905.
DEBIT.			
Balance due government beginning of the year	₱11,990,012.99	₱21,267,886.26	₱32,991,123.18
Total deposits on account of—			
Customs revenue	18,354,758.80	17,453,884.74	16,398,051.45
Postal revenue	206,716.88	290,799.71	249,568.14
Internal revenue	425,662.18	560,675.07	4,047,578.70
Miscellaneous revenue	2,350,840.88	2,212,545.73	2,172,893.62
City of Manila revenue	3,154,832.98	3,875,612.22	2,903,918.52
Payments and repayments to appropriations	9,171,991.38	10,737,681.03	9,809,518.47
Philippine pesos coined from bullion purchased	3,200,000.00	16,641,494.56	12,142,546.00
Premium on New York drafts			43,785.00
Proceeds from sale of certificates of indebtedness and premium thereon	6,150,780.00	12,205,280.00	6,084,600.00
Proceeds from sale of public works and permanent-improvement bonds, issue of ₱5,000,000			5,460,608.70
Proceeds from sale of Manila water supply and sewerage bonds, issue of ₱2,000,000			2,191,250.00
Relief fund voted by United States Congress	6,000,000.00		
Sale of friar-land bonds and premium thereon		15,060,780.00	
Total debit	61,005,596.09	100,296,119.32	94,495,441.78
CREDIT.			
Total withdrawals	39,056,676.04	67,261,305.44	66,845,332.77
Allowance under rule 28, Act No. 90			615.18
Total net differences due to change of official rates of exchange in conversion of Mexican to Philippine currency	681,533.79	43,690.70	875,468.80
Balance due government at close of year	21,267,886.26	32,991,123.18	26,774,025.03
Total credit	61,005,596.09	100,296,119.32	94,495,441.78

ACCOUNTS OF THE INSULAR TREASURER AS DEPOSITARY.

Under the provisions of section 85 of the act of Congress of July 1, 1902, temporarily providing for the administration of affairs of civil government in the Philippine Islands, the insular treasurer has been designated as a depositary of funds of the United States, consisting of the funds of the United States Army and Navy disbursing officers serving in the Philippine Islands and on the Asiatic station, respec-

tively, and funds to the credit of the Treasurer of the United States as repayments, miscellaneous, and United States money-order funds.

Under the provisions of Act No. 758 the insular treasurer is likewise designated a depository of insular disbursing officers' funds and of all trust funds coming into the hands of officers of the insular government as such.

The various accounts are stated in the actual currencies involved in order to preserve the identity of the funds received in trust.

Funds of army and navy disbursing officers.

Item.	United States currency.	Philippine currency.	Mexican or Spanish-Filipino currency.
Balances July 1, 1904	\$2,425,273.36	₱131,377.40	\$60.00
Deposits in the fiscal year	26,391,534.58	6,621,066.51	.....
Total	28,806,807.94	6,752,433.91	60.00
Withdrawals in the fiscal year	27,281,610.27	6,008,650.20	60.00
Balance June 30, 1905	1,525,197.67	743,783.71	.....

Funds of the Treasurer of the United States.

Balance July 1, 1904	\$3,507,055.28	₱1,863,000.00	.....
Deposits in the fiscal year:			
Money-order funds	975,000.00	.....	.....
Repayments	2,282,789.76	.....	.....
Miscellaneous	6,411,769.97	.....	.....
Total	13,176,615.01	1,863,000.00	.....
Withdrawals in the fiscal year	11,494,173.61	1,863,000.00	.....
Balance June 30, 1905	1,682,441.40	.....	.....

Philippine disbursing officers' funds.

Balance July 1, 1904	\$11,630.60	₱3,938,759.48	\$105,166.03
Deposits in the fiscal year	11,986.65	52,126,630.66	65,088.98
Total	23,617.25	56,065,290.04	170,255.01
Withdrawals in the fiscal year	21,239.29	52,073,904.18	167,734.96
Balance June 30, 1905	2,377.96	3,991,385.86	2,520.06

Philippine money-order funds.

Balance July 1, 1904	\$32,038.55	₱1,330,900.09	\$3.50
Deposits in the fiscal year	1,237,550.09	3,822,991.92	.....
Total	1,269,648.64	5,153,892.01	8.50
Withdrawals in the fiscal year	1,254,867.20	3,868,867.86	.....
Balance June 30, 1905	14,781.44	1,285,024.15	8.50

Assurance fund.

Balance July 1, 1904 .....	.....	₱2,992.61	.....
Deposits in the fiscal year .....	.....	3,405.80	.....
Total .....	.....	6,398.41	.....
Withdrawals in the fiscal year .....	.....	59.10	.....
Balance June 30, 1905 .....	.....	6,339.31	.....

This fund was created by Act No. 496, section 99 of which provides that upon original registration under the act and also upon the entry of a certificate showing title to real estate as registered owners in heirs or devisees, one-tenth of 1 per cent of the assessed value of the land shall be paid to the register of deeds as an assurance fund. Such money is required to be paid to the insular treasurer, who keeps the same invested. Sections 101, 102, 103, and 104 provide for the payment from this fund of all losses or damages through errors on the part of the register of deeds, and otherwise direct the management of the assurance fund. No payments have been made from the fund for the purpose contemplated by the act, the withdrawals representing conversion of United States and Mexican currency balances to Philippine currency.

Constabulary relief fund.

Item.	Philippine currency.
Balance July 1, 1904	P26, 212. 03
Deposits in the fiscal year	29, 159. 16
Total	55, 371. 19
Withdrawals in the fiscal year	
Balance June 30, 1905	55, 371. 19

This fund was created by Act No. 619, and under its general provisions penalties and forfeitures are imposed against members of the constabulary for breaches of discipline, and in addition certain deductions are made from the monthly pay of officers and enlisted men. All funds arising from the first-named source constitute a special fund to be expended by a board appointed by the director of constabulary for the moral and material welfare of the enlisted men of the service. The funds arising from the second source constitute a special fund for the benefit of the widows and orphans of members of the constabulary who may lose their lives in the line of duty, and for the benefit of members of the constabulary who may be physically disabled by reason of wounds or other causes in line of duty. No payments have as yet been made from the fund for the purposes contemplated.

Franchise deposits.

Item.	United States currency.	Philippine currency.
Balance July 1, 1904	\$211, 500	
Deposits in the fiscal year		P1, 000
Total	211, 500	1, 000
Withdrawals in the fiscal year	154, 700	
Balance June 30, 1905	56, 800	1, 000

These deposits are required under paragraph 22 of part 1 of Act No. 484, section 30 of Act No. 554, section 30 of Act No. 703, and the general provisions of paragraph 9 of section 2 of Act No. 667 as an earnest of good faith and as security for the completion of work to be done by the applicants for or grantees of certain franchises within the time specified.

Miscellaneous trust funds.

Item.	United States currency.	Philippine currency.	Mexican or Spanish-Philippine currency.
Balance July 1, 1904	\$6, 655. 00	P1, 368. 06	\$600. 00
Deposits in the fiscal year	27, 800. 00	5, 566. 64	
Total	34, 455. 00	6, 934. 70	600. 00
Withdrawals in the fiscal year	6, 655. 00	6, 934. 70	600. 00
Balance June 30, 1905	27, 800. 00		

These miscellaneous trust funds represent cash security for the faithful performance of contracts, funds deposited to cover shortages pending investigations, etc.

Recapitulation of depositary account.

Item.	United States currency.	Philippine currency.	Mexican or Spanish-Filipino currency.
Balances July 1, 1904, as per classified accounts.....	\$6, 194, 212. 79	₱7, 294, 609. 67	\$106, 834. 53
Deposits in the fiscal year	37, 328, 431. 06	62, 609, 710. 59	65, 088. 98
Total	43, 522, 643. 84	69, 904, 320. 26	170, 923. 51
Withdrawals in the fiscal year, as per classified accounts.....	40, 213, 245. 37	63, 821, 416. 04	168, 394. 96
Balance June 30, 1905.....	3, 309, 398. 47	6, 082, 904. 22	2, 528. 56

Silver certificates and redemption fund.

Item.	Philippine currency.
Amount held by the treasurer in reserve on July 1, 1904, to protect outstanding notes in circulation	₱6, 000, 000
Amount placed in reserve during the fiscal year to protect notes put into circulation during that period	4, 450, 000
Amount held on June 30, 1905	10, 450, 000

No funds have been withdrawn from the reserve on account of notes redeemed under the procedure defined in the act. The treasurer has received certificates to the face value of ₱20,000,000, and of these has issued certificates to the value of ₱10,450,000, leaving certificates on hand and not issued to the amount of ₱9,550,000.

Aggregate of all funds in the hands of the insular treasurer on June 30, 1905.

Item.	United States currency.	Philippine currency.	Mexican or Spanish-Filipino currency.
General revenue account	\$12, 581, 749. 02	₱1, 500, 575. 17	\$142, 937. 36
Depositary account.....	3, 309, 398. 47	6, 082, 904. 22	2, 528. 56
Silver certificates and redemption fund.....		10, 450, 000. 00	
Total	15, 891, 147. 49	18, 033, 479. 39	145, 465. 92

Reducing the United States currency and the Mexican and Spanish-Filipino currency to a Philippine currency equivalent at the ratio of 2 and 0.78923 to 1, respectively, will result in a total accountability of the insular treasurer, expressed in Philippine currency, of ₱49,927,671.23, equivalent to \$24,963,835.61; United States currency.

INSULAR RECEIPTS AND EXPENDITURES.

Following is a statement, by departments, bureaus, and offices, of the receipts and expenditures of the insular government, arranged in such form as to show the gross receipts of each bureau having sources of receipts and revenues, the refunds of such receipts, and the net revenues, as well as the gross expenditures, the refunds to such expenditures, the net revenues, the net expenditures, the excess of revenue over expenditure or the excess of expenditure over revenue, as the case may be, in every bureau and branch of the insular service. Many of the insular bureaus have no sources of revenue whatever, but this method of stating the fiscal affairs affords a convenient means of comparing receipts and disbursements and readily ascertaining net results.

Under the laws in force during the fiscal year 1905 the bureau of printing and the bureau of government laboratories were required to perform services for other bureaus without charge therefor, and to render to the auditor statements of the services performed. For statistical purposes only these charges have been included as expenditures of the various bureaus and offices concerned, corresponding amounts

being credited as revenues to the bureau of printing and the bureau of government laboratories, respectively, in order to show the real earnings of the various bureaus and the actual cost of their maintenance.

Revenues are shown under the particular sources from which derived, and expenditures are stated for the general purpose for which made under the digest headings shown in the appropriation acts. Salaries and wages specifically appropriated for as such are included under that general heading, and expenses for transportation of supplies and travel on official business are included under the general head of transportation when so appropriated for. Contingent expenses include those necessary expenditures in the conduct of a business or office which are not provided for under other specific headings. They include purchases of furniture, stationery, supplies, traveling expenses of officers when not otherwise provided for, cost of telegrams and cablegrams, rents, ice, etc.

All expenditures from funds derived from bond issues or from funds for public works or special purposes, and not pertaining to the administrative cost of conducting a bureau, are excluded from the regular statement of revenues and expenditures of the bureau concerned, as the funds from which such expenditures were made were not derived from regular sources of revenue and the expenditures therefrom being for extraordinary purposes.

Statement of receipts and expenditures.

PHILIPPINE COMMISSION.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Salaries and wages (of the net expenditures, ₱83,680.32 the sum of ₱2,611.08 was on account of fiscal year 1904 and prior years)				₱83,680.32		₱83,680.32		₱83,680.32
THE EXECUTIVE.								
Salaries and wages (of the net expenditures, ₱114,933.34, the sum of ₱933.34 was on account of fiscal year 1904 and prior years)				₱114,933.34		₱114,933.34		₱114,933.34
Executive bureau:	₱4,198.90		₱4,198.90					
Sales of public documents				271,885.47	₱76.66	271,808.81		
Salaries and wages				121,956.90	111.28	121,754.62		
Contingent expenses				1,552.89		1,552.89		
Contingent expenses, Malacanan				1,500.00		1,500.00		
Collecting library				67,080.50		67,080.50		
Work performed by public printer without pay				746.64		746.64		
Work performed by bureau of science without pay								
Total (of the net expenditures, ₱464,933.46, the sum of ₱11,253.24 was on account of fiscal year 1904 and prior years)	4,198.90		4,198.90	464,581.40	187.94	464,838.46		460,194.56
Philippine civil service board:	28.00		28.00					
Official roster				88,488.12		88,488.12		
Salaries and wages				93.92		93.92		
Transportation				8,823.13		8,823.13		
Contingent expenses				15,751.70		15,751.70		
Work performed by public printer without pay				3.00		3.00		
Work performed by bureau of science without pay								
Total (of the net expenditures, ₱108,194.87, the sum of ₱1,183.87 was on account of fiscal year 1904 and prior years)	28.00		28.00	108,194.87		108,194.87		108,166.87

Statement of receipts and expenditures—Continued.

THE EXECUTIVE—Continued.

	Revenues.			Expenditures.			Excess.
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	
Bureau of insular purchasing agent:							
Penalties for noncompliance of contracts	₱1,518.97		₱1,518.97	₱315,592.76	₱38.58		
Salaries and wages				173,833.69	2,786.12		
Contingent expenses				6,723.73			
Construction of orchards, Act No. 881				6,661.20			
Work performed by public printer without pay				1,861.00			
Work performed by Bureau of science without pay				1,127.22	6,923.37		
Rice, Act No. 486							
Total	1,518.97		1,518.97	508,764.60	9,148.37	₱499,616.23	₱498,097.26
Operations of the insular purchasing agent on account of purchases of supplies—							
Sales of supplies					4,678,248.58	₱19,436.40	₱19,436.40
Purchase of supplies				4,658,812.18			
Bureau of Insular Affairs, Washington, D. C.:							
Salaries and wages				4,089.96		4,089.96	
General purposes				166,610.21	89,581.07	77,029.14	
Monetary commission				10,000.00		10,000.00	
Total				180,700.17	89,581.07	91,119.10	
Total for bureaus under control of the executive			5,745.87			1,342,500.92	1,336,755.05

DEPARTMENT OF FINANCE AND JUSTICE.

	Revenues.			Expenditures.			Excess.
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	
Bureau of cold storage:							
Sales of ice	₱361,648.08		₱361,648.08				
Sales of distilled water	12,982.57		12,982.57				
Cold storage	816,776.83		816,776.83				
Miscellaneous	5,847.64		5,847.64				
Total	696,253.67		696,253.67				
Salaries and wages				₱161,479.38		₱161,479.38	
Contingent expenses				182,270.28	536.33	181,733.95	
Improvement of plant						6,577.06	

Statement of receipts and expenditures—Continued.

DEPARTMENT OF FINANCE AND JUSTICE—Continued.

	Revenues.			Expenditures.			Excess.
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	
Bureau of Internal revenue:							
Provinces—							
Abra.....	4,187.88	4,701.03					
Albay.....	117,580.97	50,184.21					
Amboyan Camarines.....	54,916.48	54,784.13					
Antique.....	14,833.35	31,306.59					
Bataan.....	24,283.72	16,958.29					
Batangas.....	63,148.14	70,831.22					
Belguet.....	44,094.47	4,622.22					
Bulacan.....	178,073.76	75,862.80					
Cagayan.....	65,380.68	70,717.59					
Cavite.....	88,738.12	55,614.30					
Cebu.....	46,610.62	61,149.25					
Iloilo.....	141,089.06	50,892.84					
Ilocos Norte.....	40,789.70	195,751.84					
Ilocos Sur.....	82,637.83	60,094.96					
Iloilo.....	164,706.86	189,688.12					
Isabela.....	26,881.57	29,311.11					
Laguna.....	94,855.09	61,679.53					
Lepanto-Bontoc.....	10,469.83	19,683.20					
Leyte.....	135,816.74	141,006.43					
Mabate.....	12,807.10	14,582.43					
Mindoro.....	10,400.25	13,001.94					
Misamis.....	30,727.01	48,509.87					
Moro.....	39,733.86	64,551.20					
Nueva Vizcaya.....	5,712.54	13,273.68					
Nueva Ecija.....	37,169.02	47,783.10					
Occidental Negros.....	82,672.96	109,190.49					
Oriental Negros.....	38,913.41	60,720.95					
Pampanga.....	143,216.27	74,925.65					
Pangasinan.....	240,231.57	183,256.56					
Palawan (Palawan).....	7,480.35	9,656.21					
Rizal.....	63,726.68	52,412.40					
Romblon.....	15,987.71	16,777.19					
Samar.....	70,891.64	86,714.21					
Sorsogon.....	68,526.06	51,153.83					
Surigao.....	31,039.29	33,006.07					
Tarlac.....	52,823.47	46,246.27					
Tayabas.....	69,556.83	74,426.27					

Unión.....	84,393.99	45,085.04			
Zambales.....	17,745.63	13,744.84			
City of Manila.....	3,040,419.26	100,314.27			
Ceded to provinces on collections accruing prior to passage of Act No. 1189.....		83,079.45			
Total.....	5,463,584.35	2,547,851.30	a P2,915,737.05	P101,240.54	P101,240.54
Salaries and wages.....		80,556.22			80,556.22
Contingent expenses.....		98,988.80			98,988.80
Work performed by public printer without pay.....		5,371.92			5,371.92
Work performed by bureau of science without pay.....					
Total.....			2,915,737.05	231,167.75	P2,767,648.72
Bureau of customs and immigration:					
Port of Manila—					
Duties on merchandise imported for immediate consumption.....	10,599,553.53	36,128.31	10,553,495.52		
Duties on merchandise withdrawn from warehouse.....	615,372.80		615,372.80		
Duties on merchandise exported.....	933,996.20	9,463.42	930,542.78		
Refundable export duties not claimed within legal period.....	60,317.22		60,317.22		
Wharriage on merchandise exported.....	250,897.04	2,447.48	248,459.56		
Duties on merchandise sold at auction.....	4,021.22		4,021.22		
Surplus on unclaimed merchandise sold at auction not claimed within legal period.....	9,139.93		9,139.93		
Tonnage.....	107,222.73		107,222.73		
Storage, labor, and drayage.....	14,098.19		14,006.84		
Fines, penalties, and forfeitures.....	13,733.65	91.35	13,679.09		
Licenses issued under section 135, Act No. 356.....	163,523.20	54.56	163,523.20		
Sales of customs stamps.....	49,127.69	33.40	49,094.29		
Sales of rolls.....	1,058.71		1,058.71		
Sales of blank forms.....	1,559.83		1,559.83		
Immigration tax.....	43,768.00	140.00	43,928.00		
Consular fees.....	934.00		934.00		
Miscellaneous fees.....	71,871.01		71,871.01		
Total.....	12,956,243.25	48,348.62	12,887,834.73		
Salaries and wages.....				703,999.52	703,942.56
Contingent expenses.....				38,199.13	35,842.05
Special contingent.....				29,569.67	29,569.67
Launches.....				157,125.41	157,088.89
Salaries bonded warehouses.....				67.02	63.33
Extra services.....				6,952.21	6,955.54
Salaries of officers discharging vessels out of port.....				25,730.89	2,841.04
Chinese registration.....				24,359.55	61,482.35
Transportation.....				1,432.35	8,856.66
				3,556.66	757.49
				767.49	

There was due provinces June 30 on account of refunds for fourth quarter P 477,342.64, which is carried as an insular liability in balance sheet.

b Excess of refunds over expenditures.

Statement of receipts and expenditures—Continued.

DEPARTMENT OF FINANCE AND JUSTICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Bureau of customs and Immigration—Continued.								
Port of Manila—Continued.								
Work performed by bureau of science without pay				₱4,261.50		₱4,261.50		
Work performed by public printer without pay				35,827.40		35,827.40		
Total (of the net expenditures, ₱970,721.38, the sum of ₱30,861.57 was on account of fiscal year 1904 and prior years)			₱12,887,894.73	1,004,299.88	₱33,578.50	970,721.38	₱11,917,173.35	
Port of Iloilo—								
Duties on merchandise imported (or immediate consumption)	₱755,780.26		755,780.26					
Duties on merchandise withdrawn from warehouse	45,924.42		45,924.42					
Duties on merchandise exported	83,153.12		83,153.12					
Wharfage on merchandise exported	129,447.62		129,447.62					
Duties on unclaimed merchandise sold at auction	442.76		442.76					
Tonnage	5,234.83		5,234.83					
Storage, wharfage and drayage	1,198.85		1,198.85					
Fines, penalties and forfeitures	1,493.23		1,493.23					
Licenses issued under section 135, Act No. 355	19,636.19		19,636.19					
Sales of custom stamps	12,933.07		12,933.07					
Sales of rolls	526.00		526.00					
Sales of blank forms	1,065.25		1,065.25					
Immigration tax	1,156.00		1,156.00					
Miscellaneous fees	5,645.81		5,645.81					
Total	1,062,556.46		1,062,556.46					
Salaries and wages				57,173.03		57,173.03		
Contingent expenses				2,420.89		2,420.89		
Launches				12,702.67	37.64	12,702.67		
Extra services				1,986.73	2,484.34	a 497.61		
Total (of the net expenditures, ₱71,760.84, the sum of ₱1,117.36 was on account of fiscal year 1904 and prior years)			1,062,556.46	74,282.92	2,521.98	71,760.84	990,795.62	

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Excess of refunds over expenditures.

Statement of receipts and expenditures—Continued.
DEPARTMENT OF FINANCE AND JUSTICE—Continued.

	Revenues.		Expenditures.		Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.
Bureau of customs and immigration—Continued.						
Customs collections in the Moro Province—Cont'd.						
Tonnage.....						
Storage, labor and drayage.....						
Fines, penalties, and forfeitures.....						
Miscellaneous fees, licenses, stamps, sales of rolls, blank forms, immigration tax, extra services.....						
Total.....						
Total for the department of finance and justice.						

DEPARTMENT OF THE INTERIOR.

Board of health:						
Vaccinary fees, San Lazaro Hospital.....	₱13,984.90		₱13,984.90			
Registration fees, medical examinations.....	1,582.76		1,582.76			
Examination and registration of pharmacists.....	622.00		622.00			
Registration of dentists.....	110.00		110.00			
Total.....	15,299.66		15,299.66			
Salaries and wages.....				₱380,542.04	₱35.98	₱380,506.06
Transportation.....				1,723.78		1,723.78
Contingent expenses.....				28,982.02	37.00	28,985.02
Support of hospitals.....				178,248.06	66.60	178,181.46
Suppression of epidemics.....				58,069.52	296.49	57,794.03
Care and support of lepers.....				186.52		186.52
Public works, including Guilon leper colony.....				63,850.45	24.00	63,826.45
Work performed by bureau of sciences without pay.....				197,840.24		197,840.24
Work performed by public printer without pay.....				31,179.10		31,179.10
Total (of the net expenditures, ₱940,132.66, the sum of ₱54,589.36 was on account of fiscal year 1904 and prior years).....			16,269.66	940,591.73	459.07	940,132.66
						₱923,863.00

Quarantine service:				
Salaries and wages.....	84,938.55			84,938.55
Transportation and contingent expenses.....	28,553.36			28,553.36
Support of Marikina.....	28,701.98			28,701.98
Purchase of materials.....	7,073.00		1,297.00	7,073.00
Work performed by public printer without pay.....	1,190.30			1,190.30
Work performed by bureau of science without pay.....	856.00			856.00
Total.....	147,115.19	1,297.00		145,818.19
Philippine weather bureau: a				
Salaries and wages.....	70,002.88		4.00	69,998.88
Transportation.....	51.51			51.51
Contingent expenses.....	19,041.14			19,041.14
Work performed by public printer without pay.....	28,187.40			28,187.40
Work performed by bureau of science without pay.....	31.88			31.88
Total (of the net expenditures, ₱112,330.95, the sum of ₱3,911.19 was on account of fiscal year 1904 and prior years).....	112,334.95	4.00		112,330.95
Mining bureau:				
Transcripts of records.....	3.20		3.20	
Salaries and wages.....	26,043.95			26,043.95
Transportation.....	1,180.45			1,180.45
Contingent expenses.....	5,723.08			5,723.08
Work performed by bureau of science without pay.....	573.00			573.00
Work performed by public printer without pay.....	1,620.60			1,620.60
Total (of the net expenditures, ₱35,143.18, the sum of ₱4,623.62 was on account of fiscal year 1904 and prior years).....	35,143.18			35,143.18
Forestry bureau:				
Fees, first and second quarters.....	169,808.66	₱102,148.26		
Sales of furniture, etc.....	4,163.49	4,163.49		
Total.....	173,972.15	102,148.26		
Salaries and wages.....	71,823.89		5.01	196,859.00
Transportation.....	7,050.36			7,050.36
Contingent expenses.....	49,083.77		44.21	49,083.77
Work performed by bureau of science without pay.....	351.70			49,083.77
Work performed by public printer without pay.....	19,264.80			19,264.80
Total (of the net expenditures, ₱272,594.98, the sum of ₱15,983.17 was on account of fiscal year 1904 and prior years).....	71,823.29	49.22		272,594.98
				200,770.09

This bureau has no revenues.

Statement of receipts and expenditures—Continued.

DEPARTMENT OF THE INTERIOR—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Philippine civil hospital:								
Subsistence and treatment	₱42,699.67		₱42,699.67	₱74,481.31		₱74,481.31		
Salaries and wages				130,985.66		130,985.66		
Contingent expenses				1,295.90		1,295.90		
Work performed by public printer without pay				14,600.33		14,600.33		
Work performed by bureau of science without pay								
Total (of the net expenditures, ₱221,313.20, the sum of ₱11,591.48 was on account of fiscal year 1904 and prior years)			42,699.67	221,313.20		221,313.20		₱178,613.53
Civil sanitarium, Benguet:								
Subsistence and treatment	19,514.29		19,514.29	17,472.71		17,472.71		
Salaries and wages				68,664.43	₱14.50	68,549.93		
Contingent expenses				3,562.97		3,562.97		
Improvement of grounds				708.40		708.40		
Work performed by public printer without pay				78.00		78.00		
Work performed by bureau of science without pay								
Total (of the net expenditures, ₱90,357.01, the sum of ₱6,310.11 was on account of fiscal year 1904 and prior years)			19,514.29	90,371.51	14.50	90,357.01		70,842.72
Bureau of government laboratories:								
Service and sale of property	10,782.95							
Work performed for different bureaus and offices	237,241.83							
without pay								
Total	247,974.78		247,974.78	161,217.24	235.00	160,982.24		
Salaries and wages				113,388.45	4.36	113,384.09		
Transportation				113,388.45	17.88	113,370.57		
Contingent expenses				14,774.50		14,774.50		
Work performed by public printer without pay								
Total (of the net expenditures, ₱236,631.69, the sum of ₱57,095.03 was on account of fiscal year 1904 and prior years)			247,974.78	236,933.98	257.24	236,681.69		48,906.91

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This bureau has no revenues.

Statement of receipts and expenditures—Continued.

DEPARTMENT OF PUBLIC INSTRUCTION.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Official Gazette:								
Sale.....	₱14,607.14		₱14,607.14					
Salaries and wages.....				₱9,364.19		₱9,364.19		
Contingent expenses.....				644.09		644.09		
Work performed by public printer without pay.....				26,001.00		26,001.00		
Total (of the net expenditures, ₱35,909.28, the sum of ₱359.07 was on account of fiscal year 1904 and prior years).....	14,607.14		14,607.14	35,909.28		35,909.28		₱21,302.14
Bureau of Census, Washington, D. C.:^a								
Completing and compiling the census.....				28,898.67	₱1.00	28,897.67		28,897.67
Bureau of archives:								
Certified copies.....	1,892.60		1,892.60					
Fees, patents, copyrights, and trade-marks.....	7,023.84		7,023.84					
Total.....	8,916.34		8,916.34					
Salaries and wages.....				23,178.34		23,178.34		
Contingent expenses.....				2,641.66		2,641.66		
Work performed by public printer without pay.....				1,212.80		1,212.80		
Total (of the net expenditures, ₱27,032.80, the sum of ₱1,432.46 was on account of fiscal year 1904 and prior years).....			8,916.34	27,032.80		27,032.80		18,116.46
American Circulating Library:^b								
Salaries and wages.....				4,721.18				
Contingent expenses.....				1,464.45				
Purchase of books.....				2,120.31	2,299.76			
Work performed by public printer without pay.....				260.60				
Total.....				8,566.54	2,299.76	6,266.79		6,266.79
Bureau of architecture:								
Fees, noncompliance of contracts.....	1,596.00		1,596.00					
Salaries and wages.....				55,281.82		55,281.82		
Transportation.....				1,089.39		1,089.39		
Contingent expenses.....				5,962.39		5,962.39		

Statement of receipts and expenditures—Continued.

DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditure over revenues.
Bureau of posts—Continued.								
Traveling expenses.....				₱ 737.89		₱ 734.11		
Work performed by public printer without pay.....				19,466.40	₱ 8.78	19,466.40		
Total (of the net expenditures, ₱ 272,350.22, the sum of ₱ 14,737.33 was on account of fiscal year 1904 and prior years.).....				276,912.77	4,562.55	272,350.22		₱ 272,350.22
The post-office service:								
Revenues—								
Postal receipts of the various post-offices in the islands, as per offices—								
Stamp stock sold.....	₱ 222,701.36							
Postage on second-class matter.....	5,023.48							
Miscellaneous receipts.....	417.79							
Box rent.....	15,152.51							
Total.....	243,286.14							
Money-order fees, service at large, transferred to postal receipts.....	30,046.46							
Total.....			₱ 273,331.60					
Expenditures—								
Expenses of the various post-offices in the islands, as per offices—								
Salaries of postmasters.....				142,652.06				
Salaries of clerks.....				191,414.04				
Rent.....				8,694.00				
Miscellaneous expenses.....				2,704.03				
Total.....				340,464.13				
Expenses of the service at large.....				8,449.96				
Total.....						348,914.09		75,572.49
Post-offices—								
Abucay.....	58.02			120.00				
Abulug.....	111.70			120.00				
Agno.....	36.46			120.00				
Agoo.....	25.82			120.00				

Alaminos	126.52	.....	.....	240.00
Albay	187.82	.....	.....	228.67
Alcala, Cagayan	53.30	.....	.....	300.00
Alcala, Pangasinan	88.98	.....	.....	120.00
Alfonso	27.32	.....	.....	119.98
Aliga	68.02	.....	.....	120.00
Alilem	19.13	.....	.....	157.50
Allen	22.72	.....	.....	180.00
Aloguinsan	7.44	.....	.....	118.00
Amulung	89.02	.....	.....	120.00
Anda	33.86	.....	.....	103.67
Angadanan	2.26	.....	.....	36.66
Angat	40.60	.....	.....	114.33
Angolles	271.12	.....	.....	596.24
Apalit	83.66	.....	.....	120.00
Aparri	735.45	.....	.....	617.00
Arayat	131.08	.....	.....	180.00
Argao	60.80	.....	.....	120.00
Arlingay	32.99	.....	.....	120.00
Aroroy	26.97	.....	.....	110.00
Asingan	81.34	.....	.....	120.00
Atimonan	253.06	.....	.....	360.00
Ayacuqitan	7.28	.....	.....	107.00
Bacacay	53.62	.....	.....	120.00
Bacarra	42.57	.....	.....	120.00
Bacnotan	41.42	.....	.....	165.00
Bacolod	920.28	.....	.....	915.00
Bacolor	168.66	.....	.....	410.00
Bacong, Negros Oriental	40.06	.....	.....	120.00
Bacon, Sorsogon	37.80	.....	.....	160.00
Bacoor	171.77	.....	.....	225.00
Badoc	47.45	.....	.....	120.00
Bagabag	9.98	.....	.....	120.00
Baganga	18.34	.....	.....	100.00
Baggao	6.04	.....	.....	46.00
Bagu	32.12	.....	.....	120.00
Baguio	976.79	.....	.....	965.00
Bals	155.30	.....	.....	220.00
Balamban	35.34	.....	.....	118.34
Balanga	277.43	.....	.....	480.00
Balangiga	26.94	.....	.....	120.00
Balaoran	37.42	.....	.....	120.00
Balayan	67.00	.....	.....	180.00
Baler	42.49	.....	.....	120.00
Baliuag	883.40	.....	.....	460.00
Bamban	44.10	.....	.....	170.00
Bambang	21.92	.....	.....	110.00
Bangar	41.75	.....	.....	120.00
Bangned	217.77	.....	.....	600.00
Bangul	3.06	.....	.....	7.00
Bani	23.10	.....	.....	120.00
Banlayan	37.12	.....	.....	120.00

Calabanga	26.98	120.00
Calaca	21.60	120.00
Calamba	374.12	780.00
Calapan	278.20	480.00
Cabape	8.52	87.00
Calasiao	145.85	225.00
Calatagan	82.14	120.00
Caluang	61.62	120.00
Calbayog	1,628.54	8,172.49
Calico	71.52	180.00
Calocan	128.20	269.66
Calumpit	380.72	865.00
Camalanagan	16.80	120.00
Camaling	79.40	140.00
Camiling	131.60	240.00
Camp Joseman	1,011.26	1,440.00
Camp Keithley	1,833.60	2,807.47
Camp Overton	1,168.69	2,386.67
Camp Stotsenberg	1,548.21	1,200.00
Camp Vickers	317.96	1,134.66
Candaba	86.01	300.00
Candon	106.26	180.00
Capalonga	26.20	108.00
Capas	144.62	185.00
Capiz	567.22	900.00
Carcar	20.00	240.00
Carigara	156.63	185.67
Carmen	11.56	111.66
Carmona	.86	22.00
Casiguran	85.13	120.00
Castilla	4.04	40.00
Catagan	20.24	120.00
Catanduan	15.62	120.00
Catarman	61.82	113.67
Catbalogan	651.80	978.16
Catmon	12.14	119.33
Cauayan, Isabela	17.72	120.00
Cauayan, Negros Occidental	1.24	24.33
Cavite	7,813.48	6,907.78
Cebu	7,926.22	7,710.21
Cervantes	153.35	695.00
Claveria	19.22	72.66
Concepción	65.26	120.00
Coron	33.92	120.00
Corregidor	444.23	480.00
Cotabato	1,156.48	1,999.33
Cuenca	6.44	120.00
Cullón	22.78	96.33
Cuyapo	144.90	145.00
Cuyo	106.88	480.00
Daet	361.66	540.00
Dagupan	1,387.16	2,774.41

Statement of receipts and expenditures—Continued.

DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	
The post-office service—Continued.							
Post-offices—Continued.							
Delaguete	P 41.94			P 120.00			
Danao	26.58			120.00			
Dapitan	54.84			120.00			
Daraga	129.10			180.00			
Davao	28.88			107.00			
Daulin	14.00			160.50			
Davao	877.02			600.00			
Dinalupjan	88.81			120.00			
Dingras	83.71			120.00			
Donso	81.40			120.00			
Dumaguete	714.12			963.00			
Dumanjug	67.67			120.00			
Dupax	10.76			120.00			
Exchagile	72.31			154.66			
Enrile	12.90			120.00			
Escalante	116.76			120.00			
Floridablanca	21.42			120.00			
Gand	6.00			120.00			
Gandara	47.12			95.67			
Gapán	30.16			120.00			
Gattaran	12.50			120.00			
Ginatlan	8.54			117.33			
Guagua	125.85			120.00			
Gubat	109.18			120.00			
Guinayangan	91.04			120.00			
Guinobatan	285.18			380.00			
Guluan	2.26			40.00			
Gumaca	3.46			44.00			
Hagonoy	56.98			120.00			
Iba	163.30			600.00			
Ibaán	8.90			120.00			
Iguig	45.62			120.00			
Iligan	324.41			599.99			
Iligan	276.57			607.99			
Ilog	12.94			38.00			
Iloilo	10,632.50			8,834.76			
Imus	357.51			285.00			
Indan	82.46			109.00			

Indang	196.18				240.00
Infanta, Pangasinan	17.04				120.00
Infanta, Tayabas	82.48				104.88
Iriga	162.30				180.00
Irosin	82.64				120.00
Isabela, Negros Occidental	45.42				120.00
Jagna	3.74				101.66
Jinagan	90.84				120.00
Jinamallan	3.68				25.00
Jolo	1,894.89				2,180.67
Jovellar	24.22				120.00
Laban	20.76				120.00
Labo	21.84				184.38
La Carlota	67.36				80.00
Laguamanoc	7.02				20.00
Lailo	108.71				883.18
Laoag	894.82				880.00
Laoang	241.10				120.00
Lapo	17.10				120.00
Larena	12.82				99.66
Ligugan	2,886.06				2,412.76
Liguaman	44.26				120.00
Ligon	162.87				120.00
Ligon	2.48				29.88
Ligon	46.82				120.00
Ligao	855.76				480.00
Lillo	4.80				87.00
Liloan	81.64				120.00
Lingayen	719.70				843.00
Lipa	232.03				880.00
Lipa	18.98				180.00
Lobo	10.00				155.50
Loboc	6.44				120.00
Lopez	69.99				120.00
Los Baños	632.48				1,787.67
Luang	12.70				80.00
Luao	60.64				120.00
Lucban	118.81				180.00
Lucena	1,353.82				8,515.00
Luisiana	2.08				87.66
Lumban	3.00				87.99
Lupi	23.16				115.00
Luzuriaga	14.72				120.00
Maasin	78.22				294.67
Mababacat	43.58				76.50
Mabitac	2.58				89.00
Macaabe	114.68				210.00
Magalan	44.46				120.00
Magallanes	20.24				120.00
Magarao	12.92				120.00
Magdalena	50.00				180.00
Magdangal	40.12				120.00

Statement of receipts and expenditures—Continued.
 DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
The post-office service—Continued.								
Post-offices—Continued.								
Manila	743.71			180.00				
Manila	1,478.69			2,800.00				
Manila	119.26			17.33				
Manila	119.82			117.33				
Manila	753.74							
Manila	71.14			120.00				
Manila	1.86			27.32				
Manila	1.08			26.67				
Manila	483.28			880.00				
Manila	185.43			880.00				
Manila	10.30			108.32				
Manila	10.80			84.67				
Manila	78.16			180.00				
Manila	8.82			120.00				
Manila	12.82			120.00				
Manila	53.09			180.00				
Manila	42.92			120.00				
Manila	144,003.47			181,887.54				
Manila	13.20			120.00				
Manila	56.96			120.00				
Manila	56.62			120.00				
Manila	167.94			240.00				
Manila	168.32			300.00				
Manila	222.95			600.00				
Manila	14.26			120.00				
Manila	10.84			63.33				
Manila	226.00			100.00				
Manila	4.22			45.00				
Manila	69.00			120.00				
Manila	183.06			120.00				
Manila	47.06			116.33				
Manila	17.44			120.00				
Manila	8.72			120.00				
Manila	64.12			240.00				
Manila	33.02			117.67				
Manila	106.78			11.88				
Manila				150.00				

Morong.....	22.22			120.00
Mulanay.....	56.40			120.00
Murcia.....	29.00			120.00
Nabua.....	2.06			17.66
Naga.....	86.82			120.00
Nagcarlan.....	28.80			120.00
Naguilian, Isabela.....	11.80			120.00
Naguilian, Union.....	71.78			119.67
Nalc.....	176.92			280.00
Namacpacan.....	108.45			120.00
Narvacan.....	80.15			120.00
Nasugbu.....	106.60			120.00
New Washington.....	14.00			124.00
Noveleta.....	65.32			178.66
Nueva Cáceres.....	977.50			1,380.00
Oas.....	11.32			80.00
Olongapo.....	1,610.62			2,000.00
Opion.....	15.88			180.00
Orani.....	93.14			120.00
Orao.....	168.40			120.00
Orion.....	82.65			150.00
Ormoc.....	698.42			1,200.00
Oroquieta.....	151.96			300.00
Oslob.....	19.10			120.00
Paete.....	80.00			120.00
Pagbilao.....	49.44			240.00
Pagsanjan.....	227.42			300.00
Palo.....	78.20			120.00
Panay.....	20.28			72.66
Panay, C. Aguyan.....	1.28			15.66
Panay, Camarines.....	28.80			120.00
Pandan.....	43.80			120.00
Pangil.....	186.32			165.00
Paniput.....	70.22			107.66
Paonay.....	22.92			115.00
Paombong.....	24.34			108.66
Paracale.....	447.44			590.00
Parang Parang.....	28.68			120.00
Paranaque.....	86.84			180.00
Pasacao.....	18.22			120.00
Pasay.....	294.10			415.33
Pasig.....	62.98			120.00
Pasquin.....	57.06			120.00
Pateros.....	60			42.33
Peña Blanca.....	32.80			120.00
Peñaranda.....	14.60			120.00
Piat.....	18.08			110.00
Pidding.....	13.44			80.00
Pila.....	180.48			150.00
Pilar.....	13.00			49.33
Piliña.....	14.46			118.00
Pinarunagan.....	42.82			120.00
Pitogo.....				

Statement of receipts and expenditures—Continued.
 DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
The post office service—Continued.								
Post offices—Continued.								
Palaung.....	₱ 68.19			₱ 180.00				
Palo.....	68.12			166.33				
Pantayeden.....	39.99			43.98				
Porac.....	33.72			180.00				
Pozorrubio.....	86.48			380.00				
Prieto Dias.....	9.36			40.00				
Puerto Princesa.....	220.30			380.00				
Pulanduta.....	18.92			120.00				
Pura.....	117.60			165.00				
Quingua.....	70.40			168.33				
Ragay.....	59.64			116.66				
Rapu-Rapu.....	1.28			22.33				
Romblon.....	282.42			655.00				
Rosales.....	85.78			120.00				
Rosario.....	13.34			120.00				
Sagada.....	99.86			18.00				
Sagay.....	5.80			34.00				
Salasa.....	84.66			120.00				
Salomague.....	167.94			480.00				
Sampaloc.....	1.02			43.00				
San Antonio.....	21.40			120.00				
San Carlos, Negros Occidental.....	144.45			180.00				
San Carlos, Pangasinan.....	156.22			120.00				
Sánchez Mira.....	20.68			116.66				
San Esteban.....	18.79			480.00				
San Fabian.....	81.64			120.00				
San Felipe Neri.....	15.55			120.00				
San Fernando, Cebu.....	23.16			120.00				
San Fernando, Masbate.....	18.10			120.00				
San Fernando, Pampanga.....	666.74			825.38				
San Fernando, Unión.....	1,510.55			2,726.66				
San Francisco.....	202.84			390.00				
San Isidro, Nueva Ecija.....	470.68			1,063.76				
San Isidro, Pangasinan.....	39.06			120.00				
San Jacinto.....	19.16			240.00				
San José, Antique.....	228.16			601.00				
San José, Batangas.....	6.82			120.00				
San José, Nueva Ecija.....	61.60			120.00				

San José, Camarines.....	119.80			180.00
San Juan, Unión.....	24.63			120.00
San Juan de Bocoboc.....	24.86			120.00
San Juan de Gulimba.....	23.08			120.00
San Luis.....	64.52			120.00
San Marcelino.....	43.76			120.00
San Mateo.....	331.44			250.00
San Miguel de Mayumo.....	116.20			120.00
San Miguel, Ilocos Sur.....	17.76			120.00
San Narciso.....	14.71			120.00
San Nicolas.....	15.62			120.00
San Pablo.....	129.11			240.00
San Pedro Macati.....	40.80			120.00
San Pedro Tundasan.....	20.94			120.00
San Quintin.....	8.36			58.66
San Remigio.....	9.44			119.00
Santa Cruz.....	72.99			120.00
Santa Cruz, Cavite.....	21.83			120.00
Santa Cruz, Ilocos Sur.....	869.29			1,110.00
Santa Cruz, Laguna.....	53.47			120.00
Santa Cruz, Tayabas.....	13.70			118.83
Santa Cruz, Zambales.....	20.66			120.00
Santa Lucia, Bulacan.....	57.42			108.83
Santa Maria, Ilocos Sur.....	13.23			120.00
Santa Maria, Isabela.....	9.13			40.00
Santa Rita.....	16.66			120.00
Santa Rosa.....	88.95			120.00
Santo Nifio.....	3.59			50.00
Santo Tomas, Batangas.....	180.52			420.00
Santo Tomas, Isabela.....	24.10			40.00
Santo Tomas, Pampanga.....	34.24			120.00
Santo Tomas, Union.....	35.00			109.33
San Vicente.....	9.78			85.00
Saraya.....	79.26			120.00
Siasi.....	15.44			240.00
Sibonga.....	25.87			120.00
Silang.....	95.01			120.00
Silay.....	111.18			240.00
Sinait.....	13.72			120.00
Siniloan.....	41.96			120.00
Sipocot.....	37.71			114.66
Siquitor.....	7.23			103.66
Solana.....	4.30			120.00
Solano.....	24.14			120.00
Sorsogon.....	1,101.81			2,425.00
Sual.....	32.84			120.00
Sdbic.....	101.24			800.00
Surigao.....	406.00			600.00
Taal.....	115.54			180.00
Tabaco.....	467.97			576.84

Statement of receipts and expenditures—Continued.
 DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
The post-office service—Continued.								
Post-offices—Continued.								
Tabogon	P11.14			P119.33				
Tacloban	1,546.99			8,262.76				
Taft	119.60			100.00				
Tagbilaran	286.29			824.82				
Tagudin	23.98			120.00				
Talavera	14.41			120.00				
Talibay, Cebu	38.60			120.00				
Talibay, Negros Occid.	89.16			120.00				
Tanauan	112.90			100.00				
Tanay	17.64			100.00				
Tanjay	17.64			100.00				
Tarlac	602.10			831.88				
Tayabas	88.76			200.00				
Taytay	2.49			4.00				
Tayug	131.90			240.00				
Tiaong	21.04			120.00				
Tigapong	84.78			100.00				
Tigapong	2.70			26.66				
Toledo	84.09			118.83				
Tolong	20.24			90.00				
Tortiles	3.64			48.64				
Tosco	5.06			120.00				
Tubao	21.20			120.00				
Tubigon	19.24			120.00				
Tuburan	80.64			180.00				
Tuguegarao	647.85			118.66				
Tumauini	26.58			961.67				
Twin Peaks	1,688.07			120.00				
Umingan	1,688.07			1,200.00				
Urdaneta	72.10			165.00				
Usan	7.60			155.00				
Valencia	5.50			120.00				
Valladolid	28.56			101.66				
Victoria	59.81			125.67				
Victorias	21.74			98.83				
Vigan	1,048.12			120.00				
Villa Real	1,14.46			2,480.00				
Villasis	41.16			120.00				

[illegible]

Excess of sales over purchases.

Bureau of coast guard and transportation:

Nonofficial passengers	.....
Engineering Island	.....
Salaries and wages	.....
Contingent expenses	.....
Light-house service, permanent improvements.	.....

Marine railway

Statement of receipts and expenditures—Continued.

DEPARTMENT OF COMMERCE AND POLICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Bureau of coast guard and transportation—Continued.								
Launches.....								
Work performed by public printer without pay.....								
Work performed by bureau of science without pay.....								
Total (of the net expenditures, ₱2,116,339.10, the sum of ₱227,854.56 was account of fiscal year 1904 and prior years).....			₱5,280.48					
				2,321,286.46	204,946.96	2,116,339.50		₱2,111,109.02
Bureau of prisons:								
Sales of articles manufactured and from laundry department.....	₱51,599.34		51,599.34					
Maintenance of prisoners.....	109,920.89		109,920.89					
Confiscation from prisoners.....	24.78		24.78					
Sales of unclaimed property of released and deceased prisoners.....	227.29		227.29					
Total.....	161,772.30		161,772.30					
Salaries and wages.....				186,683.33	8.34	186,691.67		
Contingent expenses.....				497,847.47	194.46	497,152.99		
Manufacturing department.....				125,390.53		125,390.53		
Installation of electric light and power.....				9,000.00		9,000.00		
Work performed by public printer without pay.....				4,832.10		4,832.10		
Work performed by bureau of science without pay.....				5,577.00		5,577.00		
Total (of the net expenditures, ₱838,597.61, the sum of ₱100,169.63 was on account of fiscal year 1904 and prior years).....			161,772.30	838,503.43	202.82	838,597.61		676,825.31
Signal service:								
Telegraph and telephone tolls.....								
Salaries and wages.....				64,213.77		64,213.77		
Transportation.....				477.17		477.17		
Contingent expenses.....				19,655.00	283.85	19,371.15		
Rent and illumination of building.....				267.40		267.40		
Purchase of equipment.....				11,156.64		11,156.64		
Work performed by public printer without pay.....				7,095.10		7,095.10		

Total (of the net expenditures, ₪102,583.23, the sum of ₪12,472.96 was on account of fiscal year 1904 and prior years).....	119,739.85	102,867.08	288.85	102,583.23	₪17,156.12
Costs and geodetic survey, a					
Salaries and wages.....		20,985.79	.....	20,985.79	.....
Contingent expenses.....		9,287.21	.....	2,065.48	.....
Field and steamer expenses.....		80,079.01	.....	80,079.01	.....
Construction of steamers.....		123,890.00	.....	123,890.00	.....
Work performed by public printer without pay.....		2,747.10	.....	2,747.10	.....
Work performed by bureau of science without pay.....		2,282.82	.....	2,282.82	.....
Total (of the net expenditures, ₪229,480.20, the sum of ₪4,372.80 was on account of fiscal year 1904 and prior years).....		229,661.93	181.73	229,480.20	229,480.20
Bureau of engineering, a					
Salaries and wages.....		134,020.39	.....	133,980.39	.....
Contingent expenses.....		12,683.84	30.00	12,683.84	.....
Public works.....		68,902.58	2.40	68,900.18	.....
Work performed by public printer without pay.....		2,424.10	.....	2,424.10	.....
Work performed by bureau of science without pay.....		1,420.00	.....	1,420.00	.....
Transportation.....		372.70	.....	372.70	.....
Total (of the net expenditures, ₪219,801.21, the sum of ₪8,357.65 was on account of fiscal year 1904 and prior years).....		219,883.61	32.40	219,801.21	219,801.21
Total for department of commerce and police.....	563,420.63		.....	8,252,504.78	7,689,084.06

MISCELLANEOUS REVENUES, UNASSIGNED SERVICE.

[illegible]

This bureau has no revenues.

Statement of receipts and expenditures—Continued.
MISCELLANEOUS REVENUES, UNASSIGNED SERVICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Spanish seized funds: Amount derived from the sale of certain Spanish bonds seized upon American occupation, and heretofore carried by the insular treasurer on special property account.....			₱7,500.00				₱7,500.00	
Total unsigned service			1,062,223.98				1,062,223.98	

MISCELLANEOUS EXPENDITURES, UNASSIGNED SERVICE.

Harbor improvements:								
Port of Manila—								
Improvement of port.....				₱1,514,018.64	₱889.84	₱1,513,128.80		
Repair Pasig River wall below Bridge of Spain.....				6,818.30		6,818.30		
Dredging Santa Cruz Estero.....				14,681.56		14,681.56		
Work performed by public printer without pay.....				217.60		217.60		
Total.....				1,585,736.09	889.84	1,584,846.75		₱1,584,846.75 ✓
Port of Iloilo—								
Improvement of port.....				64,276.90		64,276.90		
Iloilo Harbor.....				49.92		49.92		
Port of Cebd: Improvement of port.....				64,326.82		64,326.82		64,326.82 ✓
Joló wharf.....				31,557.40		31,557.40		31,557.40 ✓
Calbayog pier, Act No. 831.....				1,801.74		1,801.74		
Public works, Act No. 490.....				7,822.86	66.90	7,255.46		
Total.....				13,279.21	3.38	13,275.88		
Benguet wagon road, construction and maintenance.....				21,903.31	70.23	21,833.08		21,833.08 ✓
For additional payments of this account from special funds, see pages 321 and 326.				707,841.97	42,472.38	755,869.59		755,869.59 ✓

733.64

[illegible]

an Excess of refunds.

Statement of receipts and expenditures—Continued.
MISCELLANEOUS EXPENDITURES, UNASSIGNED SERVICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
District commander, Isabela de Basilan, contingent expenses, fiscal year 1906.....				P 186.48 10,915.57		P 186.48 10,915.57		P 186.47 10,915.58
Roads and bridges (Act No. 1), construction, St. Louis exhibit.....								
Construction and maintenance.....				1,486,855.75	P 254,403.91 779,680.10			
Miscellaneous receipts.....								
Tickets of admission and sale of articles.....				1,486,855.75	1,044,084.01	391,821.74		391,821.74
Insular salary and expense fund. (Under this caption provision is made in the general appropriation acts for a fund from which is made payable the traveling expenses of officers and employees from the United States to Manila, rewards for the apprehension of criminals, expenses of the deportation of vagrants, accrued leave due to officers and employees who die or resign and whose places must be filled at once, and other miscellaneous expenditures properly authorized by the Commission.).....								
Traveling expenses of officers and employees from the United States to Manila, are payable only after two years of satisfactory service, but the gross to be reimbursed at the rate of 10 per cent per month of the employees' salary, even though the whole amount may be later refundable to the officer or employee. It is from these 10 per cent deductions that the refunds arise.)								
Fiscal year 1906.....				548,020.28	376,874.76	171,145.52		171,145.52
Payments under specific miscellaneous appropriations:								
Interest on friar-land bonds.....				557,300.00				
F. G. Calderin, Act No. 1188.....				1,520.00				
Old transportation claims.....				389.69				
Act No. 1246.....				40.00				
Claims, Act No. 1225.....				865.00				
Services, Act No. 1225.....				1,415.00				

Expenses, W. Cameron Forbes.....	896.50				
Medical services.....	200.00				
Racial monument fund.....	30,000.00				
College of San José, Act No. 49.....	8,186.83				
Emilia property, Act No. 1246.....	40,000.00				
Masacalanus, fiscal year 1901.....	177.00				
Cuyo shawl.....	384.85				
Cavite police, Act No. 1281.....	2,400.00				
Pay of police, Act No. 58.....	60.00				
Purchase of land, Malabte, Act No. 308.....	7,692.80				
Pay of interpreters.....	1,140.00				
Salary chief and assistant chief police, Cavite.....					
Total.....	646,581.27			646,581.27	646,581.27
Payments to provinces:					
For the several payments to provinces by the insular government, being contributions for the purpose of meeting general expenses of the provinces in whole or in part—					
Province of—					
Mindoro.....	37,269.05				
Lepanto-Bontoc.....	26,227.00				
Nueva Viscaya.....	20,000.00				
Benguet.....	20,841.05				
Moró.....	6,812.05				
Zambales.....	1,212.00				
Paragua.....	10,000.00				
Capiá.....	10,000.00				
Ambos Camarines.....	12,000.00				
Cavite.....	11,575.00				
Ilocos Norte.....	15,976.42				
Ilocos Sur.....	18,718.75				
Total.....	192,429.27			192,429.27	192,429.27
Excess deposits in the insular treasury:					
For the aggregate of the several amounts erroneously deposited and refunded thereunder during the fiscal year as follows—					
Gross deposits.....				84,679.68	
Gross refunds.....				84,606.88	
Resulting in a net difference or revenue of the insular government on account of deposits made in previous years.....					
Allowances to accountable officers for losses of funds:					
For the aggregate of the several amounts allowed during the fiscal year under the provisions of rule 28, Act No. 90.....					
Total.....				72.80	1,431.82
Total.....					1,431.82

Statement of receipts and expenditures—Continued.

MISCELLANEOUS EXPENDITURES, UNASSIGNED SERVICE—Continued.

	Revenues.			Expenditures.			Excess.	
	Gross.	Refund.	Net.	Gross.	Refund.	Net.	Revenues over expenditures.	Expenditures over revenues.
Allowances in liquidation and mitigation of claims: For the aggregate of the several amounts allowed during the fiscal year under the provisions of rule 29, Act No. 90.....								
Total miscellaneous expenditure, unassigned service.....						P12,685.99		P12,685.99
						5,641,093.66		5,641,093.66

RECAPITULATION.

Net revenues.....	P23,098,990.74
Net expenditures.....	24,497,714.66
Excess of expenditures over revenues.....	1,398,723.92

STATISTICAL EARNINGS AND EXPENDITURES, AND PAYMENTS TO THE CITY OF MANILA AND TO THE PROVINCES.

Included in both net receipts and net disbursements is the sum of P785,133.83, the combined statistical revenues or earnings of the bureau of printing and the bureau of the government laboratories, and shown as statistical expense of the various bureaus involved, the actual cash receipts and expenditures having been that much less, or P23,313,856.91 and P23,712,580.83, respectively, but the auditor is required to show these items for statistical purposes. Under the law, as recently amended, all interbureau transactions of this sort will hereafter appear as actual cash transactions, but will be statistically separated in the audit. Likewise in the expenditures the sums of P1,516,731.81, paid to the city of Manila as the insular government contribution to the support of the city, and P192,429.27, paid to provinces as a contribution to their support, appear in addition to loans advanced to provinces and revenues regularly ceded by law. Thus these actual expenditures of the insular government in effect become receipts or revenues of the city of Manila and of the provinces in the amounts stated.

MISCELLANEOUS RESOURCES AND LIABILITIES.

In the following statements of account is shown the relation of the insular government to the several special funds arising from the issue of bonds for specific purposes, and to the several quasi-trust funds held pending claim for refund after the conditions of the law have been complied with.

These statements are omitted from the regular account of insular receipts and expenditures, as they do not affect the income or expenditures of the insular government in any manner until covered into general funds by reason of noncompliance with the specific provisions of the law authorizing refunds within given periods.

In the case of bond issues for specific purposes, the full amount of principal and premium derived from the sale is credited to the fund, and it is charged with the par value of the issue, for the reason that the insular government assumes the obligation and carries the same under an account of bonded indebtedness.

The cash balances on said accounts are included in the insular treasurer's account and in the balances in the hands of collecting and disbursing officers. For every item of revenue received on account of a special fund the liability of the insular government is increased, and for every expenditure there is a corresponding decrease.

THE INSULAR GOVERNMENT IN ACCOUNT WITH THE GOLD-STANDARD FUND.

Amount received to June 30, 1904, as per auditor's report to that date, consisting of new Philippine coin, premium on New York drafts, and interest on deposits.....	₱20,035,175.15
Receipts during the fiscal year 1905:	
New Philippine coin from mints.....	₱12,128,000.00
Sale of proof sets..	17,348.00
Premium on sale of New York drafts.	43,777.50
Interest on de- posits	129,610.18
Total receipts for the fiscal year.	12,316,733.68
Total receipts for June 30, 1905.....	₱32,351,908.83
For the face value of second and third series, certi- ficates of indebtedness, retired during the fiscal year.....	12,000,000.00
For the principal and premium derived from the sale of the first, second, third, and fourth series, certificates of indebtedness.....	24,440,640.00
For the Philippine-currency value of currency given in exchange at the treasury, the Mexican and Spanish-Filipino currency having been reduced at the average ratio of 1.30 to 1 (actual currencies shown in treasury accounts)	41,951,430.62
Total	₱110,743,979.45
Amount expended to June 30, 1904, as per the auditor's report for the fiscal year ended that date.....	₱22,676,000.54
Expenditures during the fiscal year 1905, consisting of purchases of silver bullion and alloy, expenses of coinage and transportation, and miscellaneous items contingent to the purposes of the fund.....	7,830,287.27
Total expenditures to June 30, 1905.....	30,506,287.81
For the face value of second, third, and fourth series, certificates of indebtedness, elsewhere carried as an insular government liability and here entered as a charge against the gold-standard fund.....	18,000,000.00

For the amount for expense in retiring second and third series, certificates of indebtedness.....	₱18,000,000.00
For the amount of interest paid on the various issues, certificates of indebtedness, to June 30, 1905.....	899,840.00
For the Philippine currency value of currency given in exchange at the treasury, the Mexican and Spanish-Filipino currency having been reduced at the average ratio of 1.30 to 1 (actual currencies shown in treasury accounts).....	42,472,739.22
Total	₱109,878,867.03
Balance due the gold-standard fund on June 30, 1905, and representing the net gain of the fund to that date, comprehending the Mexican currency transactions at the arbitrary ratio of 1.30 to 1.....	865,112.42

THE FRIAR LANDS FUND.

Under authority of sections 63, 64, and 65 of the act of Congress of July 1, 1902, the Philippine government was empowered to issue bonds for the purpose of providing funds to acquire by purchase certain lands in the Philippine Islands generally known as the friar lands. The operations under the fund derived from the sale of bonds were as follows during the fiscal year:

For the face value of the issue of friar lands bonds, elsewhere carried as an insular government liability and here charged against the fund as an offset to said amount.....	₱14,000,000.00
Amounts expended for the purposes of the bond issue:	
Payments on account of purchase of the friar lands	₱6,825,540.72
Miscellaneous expenditures for salary of special counsel, expenses of surveys, etc.....	14,235.78
Total expenditures	6,839,776.50
Total charges against the fund	20,839,776.50
By the amount of principal and premium resulting from the sale of the friar lands bonds, and credited to that specific fund.....	15,060,780.00
Balance carried as an insular government asset, being the difference between cash in the treasury belonging to the fund added to balances in the hands of disbursing officers and the amount of the insular government's liability on the bond issue	5,778,998.50

Under the statute governing the purchase and sale of the friar lands the receipts from the sale of lands will be credited to this fund and accumulate for the purpose of retiring the bonds at maturity.

THE PUBLIC WORKS AND PERMANENT IMPROVEMENTS FUND.

Under authority of the Congress of the United States the Philippine government is authorized to issue bonds for certain specific purposes, including public works and permanent improvements. A statement of the various bond issues to date is included on page 268.

The operations under the first issue of insular public works and permanent improvement bonds during the fiscal year were as follows:

For the face value of the first issue of public works and permanent improvement bonds, elsewhere carried as an insular government liability, and here charged against the fund as an offset to said amount.....	₱5,000,000.00
Amounts expended for the purposes of the bond issue:	
Quarantine service, quarantine station at Cebú	₱10.00
Bureau of coast guard and transportation, construction of light-houses, marine railway, and machine shop, and general improvement of Engineer Island.....	80,182.44

Amount expended for the purposes of the bond issue—
Continued.

Bureau of engineering—

Improvement of the port of Cebú ^a	₱2,051.65
Improvement of the port of Iloilo ^a	28,922.08
Indang-Silang bridge	10,600.00
Parafique bridge	13,000.00

₱52,573.73

Bureau of architecture, public works

72,774.55

Bureau of port works—

Improvement of the port of Manila ^a	₱817,220.02
Improvement of the port of Cebú.....	2,260.85

819,480.87

Construction of the Benguet road^a

408,346.49

Total expenditures

₱1,433,368.08 ✓

Total charges against the fund

6,433,368.08

By the amount of principal and premium resulting from the sale of
the first issue of public works and permanent improvement bonds,
and here credited to that specific fund.....

5,460,608.70

Balance carried as an insular government asset, being the difference
between cash in the treasury belonging to the fund
added to balances in the hands of disbursing officers and the
amount of the insular government's liability on the bond
issue

972,759.38

SEWER AND WATERWORKS CONSTRUCTION FUND, CITY OF MANILA.

Proceeds of first issue city of Manila sewer and waterworks construction
bonds, par value \$1,000,000, here carried as a liability of the
insular government, a corresponding amount of cash being in the
possession of the insular treasurer

₱2,191,250.00

No expenditures were made from this fund during the fiscal year.

ADVANCES TO PROVINCES.

Balance due the insular government for advances to provinces not repaid
on July 1, 1904.....

₱6,972.85

Advances repaid in the fiscal year 1905, province of Rizal

4,347.83

Balance due insular government June 30, 1905.....

2,625.02

Act No. 799 provides for the reimbursement to provincial governments from the
insular treasury of the amount ascertained to be lost through defalcation of bonded
provincial officials pending recovery on the official bonds. The amounts so reim-
bursed are considered as advances on the security of the amount due on such bonds,
and when recovered are deposited in the insular treasury to the general credit of the
insular government.

REFUNDABLE EXPORT DUTIES.

Amount held on July 1, 1904, subject to claim in accordance with law. ₱841,204.90

Deposited in the fiscal year

973,402.06

Total

1,814,606.96

Refunded in the fiscal year.....

₱843,366.28

Covered into customs revenues as not claimed within legal
period

60,317.22

903,683.50

Balance held June 30, 1905, and carried as a liability
of the insular government.....

910,923.46

^a For additional expenditures on this account see page 314.

Under the provisions of an act of Congress approved March 8, 1902, certain export duties are collected in the Philippines and deposited in the insular treasury, subject to refund to the parties from whom received, upon compliance with specific requirements. These moneys are in a sense trust funds, and are so considered until eighteen months from the date of collection, when, under ruling of the Secretary of War, they are transferable to the general revenue of the insular government. (See p. 293.)

REFUNDABLE SURPLUS ON CUSTOMS AUCTION SALES.

Amount held on July 1, 1904, subject to claim in accordance with law	₱10,319.52
Surplus deposited in the fiscal year	4,284.77
Total	14,604.29
Refunded in the fiscal year	₱1,242.46
Covered into customs revenues as not claimed within legal period	9,139.93
	₱10,382.39
Balance held on June 30, 1905, and carried as a liability of the insular government	4,221.90

Under section 283 of the customs administrative act the proceeds of sales of unclaimed merchandise are held as a special trust deposit for one year thereafter, and, if unclaimed during that period, thereupon revert to the general fund as customs receipts.

LOANS TO PROVINCES.

Balance due the insular government for loans to provinces unpaid on July 1, 1904	₱542,192.68
Loans made to provinces in the fiscal year 1905:	
Bulacán	₱10,000.00
Albay	65,000.00
Sorsogón	20,000.00
Cebú	60,000.00
Cavite	25,000.00
	180,000.00
Total	722,192.68
Loans repaid by provinces in the fiscal year 1905:	
Rizal	2,000.00
Tayabas	3,000.00
Romblón	2,000.00
Batangas	2,000.00
Misamis	5,000.00
	14,000.00
Balance due insular government June 30, 1905	708,192.68

A detailed statement of the amount due from each province on account of loans, both from insular funds and from the Congressional relief fund, will be found on page 263.

INVALID MONEY ORDERS.

Amount held on July 1, 1904, subject to claim in accordance with law	₱3,184.08
Deposited in the fiscal year	10,272.82
Total	13,456.90
Refunded in the fiscal year	8,432.10
Balance held on June 30, 1905, and carried as a liability of the insular government	5,024.80

Under the rules of the money-order system an order becomes invalid for direct payment twelve months after the last day of the month of issue. The amounts received from the issuance of money orders which have become invalid are deposited in the insular treasury and are made a permanent appropriation by the provisions of paragraph 8 of section 1 of Act No. 357, for the payment of the amount of the original orders by warrant upon certification of the claims by the auditor.

REPORT OF THE AUDITOR.

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REFUNDABLE LAND TAXES, PROVINCE OF RIZAL.

Amount held July 1, 1904.....	₱673. 89
Deposited in the fiscal year	1. 55

Balance held June 30, 1905, and carried as a liability of the insular government.....	875. 44
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Section 5 (g), Act No. 436, provides that one-half of certain taxes on land annexed to the city of Manila for the year 1901 shall be deposited in the insular treasury to the credit of the provincial treasurer of Rizal for the general uses of that province.

OUTSTANDING POSTAL DRAFTS.

Amount of drafts outstanding July 1, 1904.....	₱6, 635. 91
Amount of drafts issued in favor of postmasters on the postmaster of Manila during the fiscal year.....	65, 843. 36

Total	72, 479. 27
Amount of drafts paid by postmaster of Manila during the fiscal year...	62, 061. 23

Balance outstanding on June 30, 1905, and carried as a liability of the insular government.....	10, 418. 04
---	-------------

Transfers of funds from the postmaster at Manila to other postmasters are made by postal transfer drafts, under rule 35 of Act No. 90 (sec. 53, Act No. 1402), when the receipts of their offices are insufficient to meet the payments required to be made by them.

OUTSTANDING LIABILITIES.

Amount held on July 1, 1904, subject to claim in accordance with law ..	₱5, 264. 83
Deposited in the fiscal year.....	16, 507. 52

Total	21, 772. 35
Refunded in the fiscal year.....	14, 248. 83

Balance held June 30, 1905, and carried as a liability of the insular government.....	7, 523. 52
---	------------

Rule 31 of Act No. 90 provides that no disbursing officer's check shall be paid after one year from the last day of the month of its issue. In every case where after one year after the rendition and settlement of the final account of a disbursing officer there remains a balance in any depository to the credit of such disbursing officer, by reason of the nonpresentation of checks or otherwise, the auditor reports said amounts to the governor-general, who requires the depository to deposit the said balance with the treasurer of the islands to the credit of "outstanding liabilities."

Section 47 of Act No. 1402 extends to two years the time within which a disbursing officer's check may be presented, and sections 47 to 53 of the same act modify the provisions previously imposed by rule 31 of Act No. 90.

BONDED INDEBTEDNESS.

Amount of outstanding bonds July 1, 1904:	
Second series, certificates of indebtedness ..	₱6, 000, 000
Third series, certificates of indebtedness ...	6, 000, 000
Friar-lands bonds	14, 000, 000
	₱26, 000, 000

Bonds issued in the fiscal year 1905:	
Fourth series, certificates of indebtedness ..	6, 000, 000
Public works and permanent-improvements bonds	5, 000, 000
Manila sewer and waterworks construction bonds	2, 000, 000
	13, 000, 000

Total	₱39, 000, 000
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Bonds retired in the fiscal year 1905:	
Second series, certificates of indebtedness ..	6, 000, 000
Third series, certificates of indebtedness ...	6, 000, 000
	12, 000, 000

Total	12, 000, 000
-------------	--------------

Amount of bonds outstanding June 30, 1905:

Fourth series, certificates of indebtedness, due September 1, 1905, interest 4 per cent per annum, payable quarterly	₱6,000,000
Friar-lands bonds, due February 1, 1934, but redeemable at the pleasure of the insular government after ten years from date thereof, interest 4 per cent per annum, payable quarterly	14,000,000
Public works and permanent-improvement bonds, due March 1, 1935, but redeemable at the pleasure of the insular government after ten years from date thereof, interest 4 per cent per annum, payable quarterly	5,000,000
City of Manila sewer and waterworks construction bonds, due June 1, 1935, but redeemable at the pleasure of the city of Manila after ten years from date thereof, interest 4 per cent per annum, payable quarterly	2,000,000
Total	₱27,000,000

NOTE.—While the amount of bonds outstanding is carried as an insular government liability, a corresponding asset exists in the amount of the issue having been charged to the fund originally credited with the proceeds of the issue. (See pp. 319, 320, 321, and 330.)

THE MORO PROVINCE.

Following is a statement of the transactions of the Moro Province as they affect insular fiscal affairs. The customs revenues arising in the province accrue to the provincial treasury. The expenses of the customs service in the province are paid originally from the insular treasury, which is reimbursed on settlement of the insular accounts. The new accounting act (No. 1402), however, confines these transactions to the Moro treasury.

Debit.

To the several amounts expended from insular funds for the expenses of the customs service in Moro Province during the fiscal year 1905, as follows:

Salaries and wages	₱40,187.13
Transportation	75.00
Contingent expenses	4,955.90
Revenue launches	13,062.72
Extra service of employees	332.45
Tramway	856.17
	₱59,469.37

To the several amounts credited to customs officers in Moro Province during the fiscal year 1905, representing deposits made by them in the Moro treasury

263,793.67

Total debits

₱323,263.04

Credit.

By the difference between the amounts charged to customs officers in Moro Province during the fiscal year 1904, representing their collections during that year, and the amounts credited to them as deposits in the Moro treasury during the same period, said difference being carried as an insular government asset in balances due by collecting officers, and here carried as a liability in offset to same

₱4,758.22

By the amounts charged to customs officers in Moro Province during the fiscal year 1905, representing their collections during that year

263,282.43

Total credits

268,040.65

Balance carried as an insular government asset

55,222.39

For detail of customs collections in the Moro Province, see page 293, this report.

BALANCES IN THE HANDS OF COLLECTING AND DISBURSING OFFICERS.

Balances due June 30, 1905, as per audited accounts:

Collecting officers:

Balances due government	₱660, 710. 27
Balances due officers	599. 04

Net balances due government ₱660, 111. 23

Disbursing officers:

Balances due government	1, 948, 525. 05
Balances due officers	15, 940. 82

Net balances due government 1, 932, 584. 23

Total net balances due government 2, 592, 695. 46

The foregoing statement of balances in the hands of disbursing officers represents official balances, and includes credits in suspense in the settlement of the accounts.

CONGRESSIONAL RELIEF FUND.

By act of Congress approved March 3, 1903, the sum of \$3,000,000 United States currency was appropriated for relief of distress in the Philippine Islands, to be expended under the direction and in the discretion of the Philippine government, in such proportions as they deem wise, in the direct purchase and distribution or sale of farm implements, farm animals, supplies and necessities of life, and through the employment of labor in the construction of government wagon roads and other public works. The act further provides that the governor of the Philippines shall submit to the Secretary of War a statement of all expenditures under this fund.

The sum so appropriated was transmitted to the treasurer of the Philippine Islands and taken into the account of insular funds as ₱6,000,000. As contemplated by the appropriating act, and for the purpose of making the reports required thereunder, the identity of the fund has been maintained and expenditures made therefrom have been segregated from the ordinary expenses of the government.

The procedure inaugurated by the Philippine Commission as to the disposition of this fund was to set apart, by means of appropriation acts, specific sums for specified purposes, such as public works, etc., as well as amounts for expenditure under the direction of the governor-general in such manner as might from time to time be authorized by resolution of the Commission.

The following statement of account shows the expenditures from the fund, as audited, during the fiscal year 1905, together with the various cash balances remaining on hand at the close of the fiscal year:

Item.	Gross expenditures.	Refund of expenditures.	Net expenditures.	Total.
Balance in the fund on June 30, 1904, as shown by the auditor's report for fiscal year ended that date.				₱2, 984, 124. 52
By expenditures from the fund during the fiscal year 1905, on account of the following purposes:				
Relief of Lumbay, Laguna	₱235. 00		₱235. 00	
Purchase and care of cattle	2, 568. 25		2, 568. 25	
Relief of Taybayon, Iloilo	1, 909. 60		1, 909. 60	
Relief of Bohol	6, 748. 97		6, 748. 97	
Purchase of carabao	628. 18		628. 18	
Purchase of rice	37, 546. 27	₱19, 190. 00	18, 356. 27	
Do	650. 94	650. 94		
Capas-O'Donnell-Iba road	239, 847. 01	307. 07	239, 639. 94	
Passacao-Nueva Cáceres road	13, 225. 23	772. 24	12, 452. 99	
Purchase of carabao	284. 12		284. 12	
Agriculture, veterinarians and inoculators	22, 837. 90		22, 837. 90	
Bay-Tiaong road	114, 588. 39	116. 01	114, 482. 38	
Pagbilao-Atimonan road	119, 476. 96	728. 13	118, 748. 83	
Government laboratories	38, 776. 80		38, 776. 80	
Sogod-Putad road	6, 929. 85		6, 929. 85	
Vigan-Bangued road	25, 874. 52		25, 874. 52	
Padre Juan Villaverde trail	24, 444. 40	209. 53	24, 234. 87	
Board of health	2, 206. 09		2, 206. 09	
Bacong-Bulusan road	35, 138. 05		35, 138. 05	
Lucena-Batliya road	302. 69		302. 69	
Carcar-Batili road	12, 725. 54		12, 725. 54	
Allowance to Batán Province in lieu of rice	2, 130. 80		2, 130. 80	
Relief of Bifan	3, 066. 68		3, 066. 68	

Item.	Gross expenditures.	Refund of expenditures.	Net expenditures.	Total.
By expenditures from the fund during the fiscal year 1905, on account of the following purposes—				
Continued.				
Locust board.....	₱170.00		₱170.00	
Relief of San Mateo.....	92.48		92.48	
Toledo-Cebu road.....	4,652.04		4,652.04	
Plowing engine.....	9,422.82		9,422.82	
Relief of Rafael Dalmacio.....	1,000.00		1,000.00	
Magdalena road.....	13,424.30		13,424.30	
Purchase of draft cattle.....	46,292.21		46,292.21	
Purchase of carabaos.....	5,765.27	₱1,471.24	4,294.03	
Do.....	16,530.75		16,530.75	
Do.....	24,685.92		24,685.92	
Do.....	20,386.74	1,386.74	19,000.00	
Veterinarians and inoculators.....	64,599.46		64,599.46	
Locust board.....	1,635.00		1,635.00	
Purchase and care of cattle.....	4,883.79		4,883.79	
Care and shelter for carabaos.....	19,360.91		19,360.91	
Agriculture.....	15,000.00		15,000.00	
Benguet road ^a	461,798.97	5,177.51	456,621.46	
Calamba-Los Baños-Bay road.....	25,854.64		25,854.64	
Purchase of carabaos.....	11,576.25		11,576.25	
Do.....	15,074.78		15,074.78	
School buildings.....	8,333.86	2,000.00	6,333.86	
Trail to Bagulo.....	914.74		914.74	
Purchase of carabaos.....	504.47		504.47	
Do.....	4,745.91		4,745.91	
Relief of Samar Province.....	12,236.45		12,236.45	
Malolos-Bulacán road.....	14,939.59		14,939.59	
Purchase of carabaos.....		3,051.95		
Purchase of rice.....		2.43		
Miscellaneous sales.....		93.00		
Sales of carabaos.....		62,559.43		
Lucena-Sarlaya road.....		20.17		
Total net expenditures.....				₱1,418,386.70
Balance in the fund on June 30, 1905, and carried to the balance sheet as an insular government liability.....				1,515,737.82

^aSee page 314.

The segregation shown above indicates separate resolutions, distinct in terms.

CITY OF MANILA.

FINANCES OF THE CITY OF MANILA UNDER ITS CHARTER.

Under the Manila city charter all revenues collected are deposited with the treasurer of the islands to the credit of the city. Disbursements are made pursuant to the appropriations of the Philippine Commission, but under section 15 of the charter 30 per cent of the appropriations for the city are payable out of the insular treasury and 70 per cent out of the revenues deposited by the city to its credit.

Following is a statement, in Philippine currency, of the revenues collected by, and the expenditures under, the various departments of the government of the city of Manila during the fiscal year 1905 and a showing of the balance due the insular government on June 30, 1905, comprehending the bond issue of ₱2,000,000, for which the insular government is liable:

The insular government in account with the city of Manila for the various items of revenue and expenditure on account of the city of Manila during the fiscal year 1906.

	Revenues.			Expenditures.		
	Gross.	Refund.	Net.	Gross.	Refund.	Net.
Municipal Board:						
Salaries and wages				P30,417.78		
Contingent expenses				129,623.49	P384.96	
Equipment and furniture				1,388.61		
Marquitta claims, Act No. 1252				14,431.18		
Salary and expense fund				21,059.18	22,427.70	
Total				257,027.60	22,762.65	
City assessor and collector:						
Industrial taxes						
Land taxes—	P303,902.71					
1901	4,379.97					
1902	10,888.54					
1903	16,028.89					
1904	444,567.63					
1905	677,007.88					
Matadero		P6,699.82				
Market fees	169,209.54					
Internal-revenue stamps sold	302,244.02					
Licenses	147,811.94					
Vehicle tax	289,708.10					
Registration certificate	24,457.82					
Public lands, rent	22,111.97					
Electric-installation certificates	1,535.11					
Live-stock registration	18,149.09					
Sanitary fees and fines	8,799.80					
Poundmaster's fees	814.91					
Municipal court, fees and fines	15,754.38					
Sheriff, fees and fines	4,736.70					
Justice of peace, fees and fines	94,768.68					
Sales of realty	12,775.72					
Building applications and permits	6,858.31					
Testing weights and measures	3,898.64					
Fees, jail system	15,799.87					
Vaults and reserpool, cleaning	6,886.72					
Boiler inspection	36,642.70					
Water rents	80,957.96					
City attorney, fees	1,334.00					
Miscellaneous fees	196,336.74					
Burial fees	7,816.00					
Total	2,870,905.50	6,699.82				

The insular government in account with the city of Manila for the various items of revenue and expenditure on account of the city of Manila during the fiscal year 1905—Continued.

	Revenues.		Expenditures.	
	Gross.	Refund.	Net.	
City assessor and collector—Continued.				
Salaries and wages.....			P 150,947.57	
Contingent expenses.....			11,759.54	
Equipment and furniture.....			1,337.28	
Tax refunds.....			6,612.26	
Total.....			170,656.65	2,712.24
Department of engineering and public works:				
Auction sale.....	P 2,960.16			
Salaries and wages.....			1,082,908.08	
Contingent expenses.....			22,963.26	
Public works.....			71,028.58	
Equipment and furniture.....			90,276.62	
Total.....			2,082,082.79	80,080.94
Fire department:				
Salaries and wages.....			216,086.66	
Contingent expenses.....			49,718.27	
Equipment and furniture.....			81,366.80	
Total.....			341,106.83	6.06
Law department:				
Salaries and wages.....			180,196.27	
Contingent expenses.....			11,327.54	
Equipment and furniture.....			8,256.02	
Total.....			144,781.88	112.00
Department of police:				
Salaries and wages.....			1,136,442.41	
Contingent expenses.....			50,164.79	
Equipment and furniture.....			86,700.73	
Secret service.....			1,527.21	
Total.....			1,224,835.14	965.31
Department of city schools:				
Salaries and wages.....			290,051.88	
Contingent expenses.....			5,214.68	
Equipment and furniture.....			2,766.42	
Total.....			298,032.98	18.00

Department of sewers and waterworks construction:
Salaries and wages
General purposes

Total

Public works and permanent improvements:

Water system.....
Paving blocks, Escollita and Bimondo.....
Sack carriers.....
Insular construction, Puég River wall—
Act No. 1094.....
Act No. 1042.....
Miscellaneous.....
Widening streets in Malate and Ermita.....
Contingent expenses.....
Construction schoolhouses, Act No. 890.....
Construction of police station, Tondo.....
Extension San Lázaro estate.....
Widening Calle Nueva entire length.....
Improvement street system, barrios San Carlos and Concepción, Act No. 1087.....
Extension and widening streets in Malate and Ermita.....
Completion Calle San Marcelino.....
Preliminary survey new water and sewer system.....
General widening streets throughout city.....
Installation of water works.....
Site new station, Calle Sol.....
Construction of schoolhouses, Ermita, Tondo, and Sampaloc.....
Construction remodeling and A modern shops.....
Widening Calles Bilbao and Linares.....
Construction cement curbs.....
Construction Gagalarin market.....
Construction keeper's house, new cemetery.....
Construction sundry new streets.....
Improvement street system, barrios San Carlos and Concepción.....
Parking Calle Moriones lands.....
Construction carromatas sheds.....
General widening streets and filling moat, Act No. 1296.....
Construction Pundacan market.....
Construction fireproof vaults.....
Widening Calle Nueva, Act No. 1222.....
Purchase of paving blocks, Rosario and Escollita.....
Paving Rosario and Escollita.....
Completing H street, Ermita, Herrán to San Andrés.....
Extension Calle Palacio.....
Widening Calle Lacoste.....
Extending, widening, and construction new streets, Sampaloc.....
Purchase grounds and construction new market, Sampaloc and Paco.....
Construction San Miguel bridge.....
Construction fire station, Tondo.....
Purchase seats and hand screws, jail system.....

Total

5,743.28					
212.42					
5,955.70					
3,183.17					
31,949.31					
1,925.24					
39,810.40					
4,520.44					
221,686.45					
1,058.17					
100.00					
3,900.00					
17,860.00					
42,684.94					
47,008.30					
10,000.00					
4,776.69					
4,776.69					
27,743.75					
50,000.00					
6,194.50					
6,964.50					
1,000.00					
5,000.00					
5,138.00					
6,100.55					
3,187.00					
5,897.00					
20,000.00					
24,001.40					
3,063.67					
6,399.40					
95,240.54					
7,443.00					
6,710.00					
29,149.69					
2,867.14					
449.27					
25,244.04					
745.60					
1,557.05					
6,413.62					
2,392.40					
7,265.27					
105.60					
8,880.00					
127.70					
748,079.75					
16,686.51					

The insular government in account with the city of Manila for the various items of revenue and expenditure on account of the city of Manila during the fiscal year 1905—Continued.

	Revenues.			Expenditures.		
	Gross.	Refund.	Net.	Gross.	Refund.	Net.
Miscellaneous revenues:						
Registration of deeds.....	P15,074.73					
Land registration.....	35.25					
Sheriff's sale of confiscated property.....	4.03					
Manila Telephone Company.....	51.80					
Total.....	15,165.81					
RECAPITULATION.						
City assessor and collector.....	2,870,905.50	P6,699.82	P2,864,205.68			
Department of engineering and public works.....	2,960.16		2,960.16			
Miscellaneous.....	15,165.81		15,165.81			
City assessor and collector.....				P267,027.60	P22,762.65	P234,264.95
Department of engineering and public works.....				170,656.65	2,712.24	167,944.41
City assessor and collector.....				2,032,082.79	30,094.94	2,001,991.85
Department of engineering and public works.....				841,106.83	6.05	841,100.78
Fire department.....				144,781.83	112.00	144,669.83
Law department.....				1,224,835.14	965.31	1,223,869.83
Police department.....				298,032.98	18.00	298,014.98
Department of city schools.....				5,955.70		5,955.70
Department of sewers and waterworks construction.....				748,079.75	16,686.51	731,393.24
Public works and permanent improvements.....						
Total for the fiscal year 1905.....			2,882,331.65			5,149,206.57

SUMMARY.

Excess of expenditures over revenues, here entered as a charge in the account of the city of Manila..... P2,266,873.92
 For the amount of the first issue, Manila water-supply and sewerage bonds, elsewhere stated as an insular government liability and here entered as a charge against the city of Manila..... 2,000,000.00

Total charges..... P4,266,873.92

For the several sums due the city of Manila by the insular government, according to the terms of the city charter, being three-tenths of net withdrawals.....

Amount due to June 30, 1904, as per auditor's report for the fiscal year ended that date..... 343,708.19
 Amount due for the fiscal year 1905, being 30 per cent on net withdrawals amounting to P5,055,772.70..... 1,516,731.81

Total credits..... 1,860,440.00

Balance due by the city of Manila and carried balance sheet as an insular government asset..... 2,406,433.92

FISCAL AFFAIRS OF THE PROVINCES.

THE PROVINCIAL GOVERNMENTS.

Under the provisions of Act No. 83, as amended by Act No. 133 and other acts, the revenue collected in the provinces and municipalities for local purposes is not deposited in the insular treasury, but is deposited with the treasurer of the province in which collected, except the internal-revenue collections, which accrue to the insular government, the provinces, and the municipalities, in the proportions of 75, 10, and 15 per cent, respectively. The refundable 25 per cent is deposited in the insular treasury as "refundable internal revenue," and subsequently refunded, as provided by law, in proportion to population as shown by the last census. That portion of revenue which accrues to each municipality is returned to the municipal treasurer and disbursed by him under direction of the municipal board, in accordance with the general provisions of the municipal code.

Under the provisions of the new accounting act the audit of the provincial accounts is being taken over by district auditors, as explained elsewhere in this report, the new system to be completely established by June 30, 1906.

Information in detail as to the internal-revenue collections and refunds therefrom to provinces will be found elsewhere in this report, on pages 258 and 259.

THE PROVINCE OF ABRA.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904 ..	₱8,640.56	\$2,182.74	₱2,172.91			
Credits in suspense July 1, 1904 ..	609.16		2,594.72	\$348.37	₱14,017.35	\$2,481.11
Collections:						
Registry of property	51.25					
Industrial tax	576.86	29.89	576.84	29.88		
Cedula tax	437.96	38.10	1,254.40	44.23		
Stamp tax	32.63		32.52			
Cart tax	11.13		11.12			
Land tax	2,628.14	183.98	2,711.78	238.15		
Municipal taxes			6,795.68	100.56		
Miscellaneous	1.32				15,021.63	664.79
Internal-revenue refunds, Act No. 1189:						
Cedula	2,302.00		2,302.00		4,704.00	
Municipal licenses			100.00		1,312.29	
Forestry refunds, Act No. 527 ..	656.15		656.14			
Payments to province from insular treasury ..	18,716.75				18,716.75	
Transfers	4,883.48				4,883.48	
Exchanges and adjustments of currency ..	15,346.84	17,660.67			15,346.84	17,660.67
Total	54,794.23	20,045.38	19,208.11	761.19	74,002.34	20,806.57
CREDIT.						
Expenditures, provincial:						
Salaries and wages	12,344.55					
Public buildings	712.10					
Roads and bridges	8,391.38					
Contingent expenses	3,923.36				25,371.39	
Expenditures, Congressional relief:						
Roads and bridges	1,252.66					
Public buildings	471.79				1,724.45	
Payments to municipalities			19,206.32	761.19	19,206.32	761.19
Transfers	8,810.30	2,180.90			8,810.30	2,130.90
Exchanges and adjustments of currency ..	14,975.57	17,914.48			14,975.57	17,914.48
Balances June 30, 1906:						
Cash balances	3,590.84					
Credits in suspense—						
Present treasurer	200.00					
Former treasurer	121.68		2.79		3,915.31	
Total	54,794.23	20,045.38	19,208.11	761.19	74,002.34	20,806.57

PROVINCE OF ALBAY.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904.....	₱72,584.28	\$1,383.67	₱26,802.27	\$2,808.78		
Credits in suspense July 1, 1904.....	1,684.88	2,023.31	2,221.46	609.51	₱108,292.89	\$6,825.27
Collections:						
Registry of property.....	431.55					
Industrial tax.....	18,728.38	1,419.40	18,728.40	1,419.40		
Cedula tax.....	7,945.00	2,343.04	7,945.00	2,343.03		
Stamp tax.....	617.59	32.84	617.56	32.83		
Cart tax.....	80.00		30.00			
Land tax.....	73,543.12	1,488.58	89,988.68	1,876.19		
Municipal taxes.....			58,977.86	6,925.69		
Miscellaneous.....	534.30				278,117.44	17,881.00
Internal-revenue refunds, Act No. 1189:						
Cedula.....	26,817.00		26,817.00			
Municipal licenses.....			5,067.50			
Refund by settlement warrants.....	7,217.42		10,826.12		76,765.04	
Forestry refunds, Act No. 527.....	777.48		777.47		1,554.95	
Loans to province from insular treasury.....	65,000.00				65,000.00	
Loans by province to municipalities, repaid.....	3,874.32	1,571.58			3,874.32	1,571.58
Transfers.....	181.56				181.56	
Exchanges and adjustments of currency.....	8,526.25	1,151.50	12,463.84		20,990.09	1,151.50
Total.....	288,493.13	11,413.92	261,283.16	16,015.43	549,776.29	27,429.35
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	65,045.60	1,787.75				
Public buildings.....	245.75					
Roads and bridges.....	38,137.05					
Repairing and construction, telegraph lines.....	1,101.50					
Contingent expenses.....	42,393.31	173.25			146,923.21	1,961.00
Payments to municipalities.....			237,523.48	2,176.80	237,523.48	2,176.80
Transfers.....	181.56				181.56	
Exchanges and adjustments of currency.....	1,035.17	9,452.92		13,838.63	1,035.17	23,291.55
Balances June 30, 1905:						
Cash balance.....	129,954.26		16,867.23			
Credits in suspense—						
Present treasurer.....	10,394.91		7,392.45			
Former treasurer.....	4.02				164,112.87	
Total.....	288,493.13	11,413.92	261,283.16	16,015.43	549,776.29	27,429.35

PROVINCE OF AMBOS CAMARINES.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	₱2,461.46	\$27,927.55	₱12,354.27	\$0.50		
Credits in suspense July 1, 1904.....	1,251.40	37.65	1,506.07	30.24	₱15,070.40	\$27,935.46
Collections:						
Registry of property.....	973.07					
Industrial tax.....	8,086.49	963.47	8,086.38	963.47		
Cedula tax.....	6,202.64	1,257.90	6,202.64	1,257.89		
Stamp tax.....	1,014.77	6.75	1,014.71	6.73		
Cart tax.....	36.50	57.20	36.50	57.20		
Land tax.....	23,990.58	2,341.10	30,262.13	3,110.83		
Municipal taxes.....			19,747.13	531.51		
Special school fund.....			200.00			
Miscellaneous.....	12.50				105,866.04	10,554.05
Congressional relief fund:						
Sales of rice.....	10,971.04					
Payments to province.....	12,000.00				22,971.04	
Internal-revenue refunds, Act No. 1189:						
Cedula.....	11,453.50		11,453.50			
Municipal licenses.....			535.00			
Refund by settlement warrants.....	7,189.76		10,784.63		41,416.39	

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THE PROVINCE OF AMBOS CAMARINES—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Forestry refunds, Act No. 527	P4,884.24		P4,884.23		P9,768.47	
Transfers	1,506.07			\$31.04	1,506.07	\$31.04
Exchanges and adjustments of currency	114,926.79	\$100,848.68	5,367.18		120,293.97	100,848.68
Total	204,458.01	133,440.30	112,434.37	5,928.98	316,892.38	139,369.23
CREDIT.						
Expenditures, provincial:						
Salaries and wages	89,809.71					
Public buildings	3,098.13					
Roads and bridges	10,166.92					
Contingent expenses	37,400.40				89,975.16	
Expenditures, Congressional relief:						
Roads and bridges	1,611.72					
Public buildings	5,059.61					
Contingent expenses	234.66				6,905.99	
Payments to municipalities:			97,628.18		97,628.18	
Rule 28, Act No. 90	242.70	614.98			242.70	614.98
Transfers		31.04	1,506.07		1,506.07	31.04
Exchanges and adjustments of currency	86,549.59	132,340.45		5,928.98	86,549.59	138,269.38
Balances June 30, 1906:						
Cash balances	13,261.41	453.83	6,644.30			
Credits in suspense, present treasurer	7,523.16		6,656.82		34,064.69	453.83
Total	204,458.01	133,440.30	112,434.37	5,928.98	316,892.38	139,369.23

PROVINCE OF ANTIQUE.

DEBIT.						
Balances:						
Cash balance July 1, 1904	P5,190.89	\$2,012.02	P14.99	\$44.97		
Credits in suspense July 1, 1904	1,234.38	24.05	30.15	113.88	P6,470.41	\$2,194.42
Collections:						
Registry of property						
Industrial tax	1,142.70	76.91	1,157.68	76.92		
Cedula tax	5,499.51	158.48	5,331.00	158.48		
Stamp tax	81.89	1.53	81.85	1.02		
Cart tax	163.65		163.65			
Land tax	6,551.51	319.24	8,473.12	357.38		
Municipal taxes			12,227.92	298.80		
Miscellaneous	4.00				40,878.48	1,443.76
Internal-revenue refunds, Act No. 1189:						
Cedula	6,766.00		6,766.00			
Municipal licenses			210.00			
Refund by settlement warrants	4,029.24		6,043.87		23,815.11	
Forestry refunds, Act No. 527	220.57		220.55		441.12	
Transfers	14,273.36	573.79	2,351.66	37.46	16,625.02	611.25
Exchanges and adjustments of currency	3,566.63	1,439.65	1.09		3,567.62	1,439.65
Total	48,724.23	4,605.67	43,073.53	1,083.41	91,797.76	5,689.06
CREDIT.						
Expenditures, provincial:						
Salaries and wages	14,433.49					
Public buildings	141.45					
Roads and bridges	592.88					
Contingent expenses	7,012.35				22,180.17	
Expenditures, Congressional relief:						
Roads and bridges	13.00					
Contingent expenses	16.40				28.40	
Payments to municipalities:			35,145.72	1,044.64	35,145.72	1,044.64
Transfers	14,273.36	573.79	2,351.66	37.46	16,625.02	611.25
Exchanges and adjustments of currency	1,801.77	3,980.93		1.31	1,801.77	3,982.24

THE PROVINCE OF ANTIQUE—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Balances June 30, 1906:						
Cash balances.....	₱7,777.48	.....	₱1,918.80	.....	
Credits in suspense, former treasurer.....	3,168.05	\$50.95	3,657.35	.....	₱16,516.68	\$50.95
Total.....	48,724.23	4,605.67	43,073.58	\$1,083.41	91,797.76	5,649.08

PROVINCE OF BATAAN.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₹6,222.26	\$178.28	₹2,831.25	\$158.08		
Credits in suspense July 1, 1904	142.37	73.56			₹9,195.88	\$410.02
Collections:						
Registry of property	23.85		1,828.72	27.57		
Industrial tax	1,823.75	27.59	1,823.72	27.57		
Cedula tax	3,252.00	418.98	3,252.00	418.99		
Stamp tax	71.34		87.33			
Cart tax	183.50	3.16	183.50	3.16		
Land tax	9,063.96	366.80	8,230.44	288.87		
Municipal taxes			13,675.94	336.22	41,661.33	1,890.84
Congressional relief fund:						
Sale of rice	781.35					
Payments to province	2,130.80				2,912.15	
Internal-revenue refunds, Act No. 1189:						
Cedula	4,974.00		4,974.00			
Municipal licenses			885.00			
Refund by settlement war-rants	1,405.10		2,107.64		14,345.74	
Forestry refunds, Act No. 527	2,506.89		2,505.87		5,011.76	
Payments to province from insular treasury	1,250.00				1,250.00	
Transfers	19,126.76	3,657.27			19,126.76	3,657.27
Exchanges and adjustments of currency	5,685.00	6,695.71	814.14		6,179.14	6,695.71
Total	58,311.93	11,420.85	41,370.83	1,233.89	99,682.76	12,654.74
CREDIT.						
Expenditures, provincial:						
Salaries and wages	15,112.89	73.56				
Public buildings	75.57					
Roads and bridges	2,937.74					
Contingent expenses	4,528.82				22,656.02	73.56
Expenditures, Congressional relief:						
Roads and bridges	1,915.02					
Contingent expenses	536.50				2,451.62	
Payments to municipalities			37,063.29	336.22	37,053.29	386.22
Transfers	19,126.76	3,657.27			19,126.76	3,657.27
Exchanges and adjustments of currency	5,685.95	6,270.55		897.67	5,685.95	7,168.22
Balances June 30, 1905:						
Cash balance	7,853.43	1,419.47	4,367.54			
Credits in suspense—						
Present treasurer	18.33					
Former treasurer	520.92		50.00		12,710.22	1,419.47
Total	58,311.93	11,420.85	41,370.83	1,233.89	99,682.76	12,654.74

PROVINCE OF BATANGAS.

DEBIT.						
Balances:						
Cash balance July 1, 1904 ..	₦63,519.18	\$3,860.04	₦265.51			
Credits in suspense July 1, 1904	472.59	40.50	3,437.37	\$452.48	₦67,694.65	\$4,353.02
Collections:						
Registry of property	216.80					
Industrial tax	5,150.49	37.09	5,150.56	37.10		

PROVINCE OF BATANGAS—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Collections—Continued.						
Cedula tax	₱10,505.20	\$44.75	₱10,505.20	\$44.76		
Stamp tax	176.79	3.11	176.78	3.14		
Cart tax	531.55		530.84			
Land tax	44,377.62	259.55	41,984.03	213.94		
Municipal taxes			57,576.07	1,606.95		
Miscellaneous	523.50				₱177,406.42	\$2,250.39
Congressional relief fund:						
Sales of rice	46,414.84					
Sales of iron	169.18				46,584.02	
Internal-revenue refunds, Act No. 1189:						
Cedula	22,051.00		22,051.00			
Municipal licenses			1,490.00			
Refund by settlement warrants	7,739.64		11,609.45		64,941.09	
Forestry refunds, Act No. 527	164.29		164.30		328.59	
Loans by province to municipalities, repaid	1,920.20				1,920.20	
Transfers	32,073.68				32,073.68	
Exchanges and adjustments of currency	42,538.43	44,389.71			42,538.43	44,389.71
Total.....	278,544.98	48,634.75	154,941.10	2,358.37	433,486.08	50,993.12
CREDIT.						
Expenditures, provincial:						
Salaries and wages	36,767.20					
Public buildings	12,653.42					
Roads and bridges	20,718.27					
School building fund	18,225.00					
Contingent expenses	25,757.75				114,121.64	
Expenditures, Congressional relief:						
Roads and bridges	28,607.95					
Public buildings	17,453.68				46,061.63	
Repayments of loans to insular treasury	2,000.00				2,000.00	
Payments to municipalities	9,800.00		147,692.95	2,358.37	147,692.95	2,358.37
Loans to municipalities	32,073.68				9,800.00	
Transfers	38,741.01	48,634.75			32,073.68	
Exchanges and adjustments of currency	38,741.01	48,634.75			38,741.01	48,634.75
Balances June 30, 1906:						
Cash balance	35,677.06		7,239.14			
Credits in suspense—						
Present treasurer	46.00		9.01			
Former treasurer	23.96				42,995.17	
Total.....	278,544.98	48,634.75	154,941.10	2,358.37	433,486.08	50,993.12

PROVINCE OF BENGUET.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱1,699.74					
Credits in suspense July 1, 1904	1,420.24	\$129.85			₱3,119.98	\$129.85
Collections:						
Registry of property	13.50					
Municipal taxes			₱4,518.00			
Miscellaneous	289.00				4,820.50	
Internal-revenue refunds, Act No. 1189:						
Cedula	813.50		813.50			
Municipal licenses			17.50			
Refund by settlement warrants	683.08		1,024.60		3,352.18	
Payments to province from insular treasury	20,841.05				20,841.05	
Exchanges and adjustments of currency	118.05				118.05	
Total.....	25,878.16	129.85	6,373.60		32,251.76	129.85

THE PROVINCE OF BENGUET—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	P10,688.38					
Public buildings.....	1,791.13					
Roads and bridges.....	717.25					
Contingent expenses.....	7,637.80					
Payment to municipalities.....			\$5,758.75		\$20,584.06	
Exchanges and adjustments of currency.....		\$129.85				\$29.85
Balances June 30, 1906:						
Cash balances.....	4,800.80		619.85			
Credits in suspense, present treasurer.....	243.80				5,668.95	
Total.....	25,878.16	129.85	6,373.60		32,251.76	129.85

PROVINCE OF BOHOL.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	P17,656.21	\$16,806.67	P7,040.19			
Credits in suspense July 1, 1904.....	237.89	447.00	80.70	\$715.42	P24,964.49	\$17,969.09
Collections:						
Industrial tax.....	3,587.35	238.28	3,587.37	238.28		
Cedula tax.....	5,440.00	2,729.61	5,440.00	2,729.61		
Stamp tax.....	469.71	2.69	469.67	2.68		
Cart tax.....	50.12	1.65	50.13	1.65		
Land tax.....	6,192.58	423.76	8,256.73	565.00		
Municipal taxes.....			23,978.87	3,960.36		
Miscellaneous.....	1,000.82				58,423.35	10,888.47
Internal-revenue refunds, Act No. 1189:						
Cedula.....	19,097.00		19,097.00			
Municipal licenses.....			1,912.50			
Refund by settlement warrants.....	8,085.24		12,127.86		60,819.60	
Forestry refund, Act No. 527.....	1,121.41		1,121.42		2,242.88	
Loans by province to municipalities, repaid.....	442.48				442.48	
Transfers.....	48,538.67	23,220.47			48,538.67	23,220.47
Exchanges and adjustments of currency.....	164,326.97	208,360.21			164,326.97	208,360.21
Total.....	276,195.95	247,230.29	83,062.44	8,202.95	859,258.39	255,438.24
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	30,994.61					
Public buildings.....	1,181.10	126.50				
Roads and bridges.....	764.50					
Contingent expenses.....	15,661.60	431.50			48,601.81	558.00
Payments to municipalities.....			68,087.92	8,202.95	68,087.92	8,202.95
Transfers.....	48,538.67	23,220.47			48,538.67	23,220.47
Exchanges and adjustments of currency.....	169,901.61	193,105.55			169,901.61	193,105.55
Balances June 30, 1906:						
Credits in suspense, present treasurer.....	27,872.87	30,346.27	7,637.55			
	18,719.01		7,836.97		24,128.38	30,346.27
Total.....	276,195.95	247,230.29	83,062.44	8,202.95	859,258.39	255,438.24

PROVINCE OF BULACÁN.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	P73,566.83	\$326.85				
Credits in suspense July 1, 1904.....	2,065.61	2,958.10	P3,558.09	\$20.08	P79,190.53	\$3,305.08
Collections:						
Registry of property.....	290.09					
Industrial tax.....	10,566.33	275.90	10,833.25	275.82		
Cedula tax.....	5,509.41	857.21	5,495.50	357.21		

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PROVINCE OF BULACÁN—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Collections—Continued.						
Stamp tax	P456.63	\$20.61	P456.48	\$20.63		
Cart tax	119.40	4.58	119.44	4.57		
Land tax	69,006.58	622.61	75,740.08	650.15		
Municipal taxes			55,282.78	4,218.00		
Miscellaneous	442.48				P234,268.45	\$6,807.29
Loans to province	10,000.00				10,000.00	
Internal-revenue refunds, Act No. 1189:						
Cedula	19,620.50		19,620.50			
Municipal licenses			2,185.00			
Refund by settlement warrants	6,719.37		10,079.06		58,224.43	
Forestry refunds, Act No. 527	835.47		885.47		1,670.94	
Loans by province to municipalities, repaid	930.36				930.36	
Transfers	17.48	6.10	1,747.87		1,765.35	6.10
Exchanges and adjustments of currency	60,726.20	67,662.04	1.29		60,727.49	67,662.04
Total	620,672.74	72,234.00	185,904.81	5,546.46	446,777.55	77,780.46
CREDIT.						
Expenditures, provincial:						
Salaries and wages	46,362.56	360.90				
Public buildings	23,252.98	85.95				
Roads and bridges	15,297.04	2,008.45				
Contingent expenses	38,467.05	292.08			123,379.63	2,742.38
Expenditures, Congressional relief, roads and bridges	9,962.85				9,962.85	
Payments to municipalities			179,805.01	5,544.97	179,805.01	5,544.97
Transfers	1,765.35	6.10			1,765.35	6.10
Exchanges and adjustments of currency	59,268.54	69,277.08		1.49	59,268.54	69,278.57
Balances June 30, 1905:						
Cash balances	57,831.73		6,097.51			
Credits in suspense, present treasurer	8,664.64	208.44	2.29		72,596.17	208.44
Total	260,672.74	72,234.00	185,904.81	5,546.46	446,777.55	77,780.46

PROVINCE OF CAGAYAN.

DEBIT.						
Balances:						
Cash balance July 1, 1904	P15,786.81	\$29,700.88	P8,217.07	\$217.84		
Credits in suspense July 1, 1904	133.38	14.80	883.95	9,162.07	P25,021.21	\$39,095.59
Collections:						
Registry of property	20.56					
Industrial tax	11,471.74	518.12	11,471.67	518.12		
Cedula tax	4,138.56	202.81	4,138.55	202.81		
Stamp tax	245.11	4.49	245.09	4.51		
Cart tax	1,207.56	21.40	1,207.51	21.40		
Land tax	21,734.37	1,268.77	40,921.93	2,521.44		
Municipal taxes			45,004.16	2,678.98		
Miscellaneous	25.00	.54			141,834.80	7,963.39
Internal-revenue refunds, Act No. 1189:						
Cedula	16,215.00		16,215.00			
Municipal licenses			2,730.00			
Refund by settlement warrants	4,692.13		7,038.20		46,890.33	
Forestry refunds, Act No. 527	2,248.36		2,248.36		4,496.72	
Exchanges and adjustments of currency	136,105.13	149,853.31	546.63	4.09	136,651.76	149,857.40
Total	214,026.70	181,685.12	140,868.12	15,331.26	354,894.82	196,916.38
CREDIT.						
Expenditures, provincial:						
Salaries and wages	38,880.26					
Public buildings	976.87					
Roads and bridges	22,000.31					
Contingent expenses	13,669.66				70,527.10	

PROVINCE OF CAGAYÁN—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Payments to municipalities			₱135,742.32	\$14,725.45	₱135,742.32	\$14,725.45
Exchanges and adjustments of currency	₱128,748.26	\$155,106.15	3.72	605.81	128,751.98	155,711.96
Balances June 30, 1906:						
Cash balances	3,699.62	26,478.97	806.56			
Credits in suspense, present treasurer	11,051.72		4,315.52		19,873.42	26,478.97
Total	214,026.70	181,585.12	140,868.12	15,331.26	354,894.82	196,916.38

PROVINCE OF CÁPÍZ.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱6,618.96	\$745.56	₱1,097.55	\$34.81		
Credits in suspense July 1, 1904	4,148.84	1,187.78	468.12	580.35	₱12,332.97	\$2,448.50
Collections:						
Registry of property	37.75					
Industrial tax	3,937.00	50.43	3,970.87	51.43		
Cedula tax	11,421.94	376.99	11,421.98	480.00		
Stamp tax	272.84	3.53	272.82	3.51		
Cart tax	95.25	15.35	95.25	15.35		
Land tax	15,762.94	1,169.63	21,017.31	1,559.52		
Municipal taxes			22,825.30	704.96		
Miscellaneous	62.70	1.00			91,193.90	4,431.70
Congressional relief fund:						
Sales of rice	15,397.58					
Payments to province	10,000.00				25,397.58	
Internal-revenue refunds, Act No. 1189:						
Cedula	15,244.50		15,244.50			
Municipal licenses			455.00			
Refund by settlement warrants	6,928.96		10,393.44		48,266.40	
Forestry refunds, Act No. 527	261.43		261.43		522.86	
Loans by province to municipalities, repaid	1,141.53				1,141.53	
Transfers	242.10		13.37		255.47	
Exchanges and adjustments of currency	2,712.94	455.81	326.08	1.64	3,039.02	457.45
Total	94,286.76	3,956.08	87,862.97	3,381.57	182,149.73	7,337.65
CREDIT.						
Expenditures, provincial:						
Salaries and wages	27,596.13	355.70				
Public buildings	22.28	61.10				
Roads and bridges	6,674.38	60.80				
Contingent expenses	19,380.85	162.51			53,673.64	639.61
Expenditures, Congressional relief:						
Roads and bridges	21,849.72	97.35				
Public buildings	3,713.57					
Contingent expenses	30.80				25,594.09	97.35
Payments to municipalities			80,317.64	2,689.78	80,317.64	2,689.78
Loans to municipalities	16.66				16.66	
Transfers	209.90		90.76		300.66	
Exchanges and adjustments of currency	414.67	3,004.94	3.57	360.41	418.24	3,365.35
Balances June 30, 1906:						
Cash balances	8,845.05		1,037.56			
Credits in suspense—						
Present treasurer	5,459.84		6,305.22			
Former treasurer	72.91	214.18	108.22	331.38	21,828.80	545.56
Total	94,286.76	3,956.08	87,862.97	3,381.57	182,149.73	7,337.65

PROVINCE OF CAVITE.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904	₱22,005.70		₱2,166.48			
Credits in suspense July 1, 1904					₱24,981.22	\$1,616.00
Collections:						
Registry of property	531.00					
Industrial tax	4,387.05	55.00	4,387.05	\$55.00		
Cedula tax	2,718.00	14.53	2,718.00	14.53		
Stamp tax	420.68	16.50	420.68	16.50		
Cart tax	26.28		26.28			
Land tax	36,268.15	566.63	43,982.19	755.58		
Municipal taxes			73,984.95	75.74	174,870.29	1,569.96
Congressional relief fund:						
Sales of rice	43,006.53					
Payments to province	11,575.00				54,581.53	
Internal-revenue refunds, Act No. 1189:						
Cedula	15,985.50		15,985.50			
Municipal licenses			1,277.00			
Refund by settlement war-rants	4,047.65		6,071.49		43,367.14	
Forestry refunds, Act No. 527	189.02		189.01		378.03	
Loans to province from insular treasury	25,000.00				25,000.00	
Transfers	613.74				613.74	
Exchanges and adjustments of currency	1,217.78	735.57	829.99		2,047.77	735.57
Total	168,724.12	3,004.23	157,065.60	917.30	325,789.72	3,921.53
CREDIT.						
Expenditures, provincial:						
Salaries and wages	34,361.25					
Public buildings	10,669.23					
Roads and bridges	16,535.53					
Contingent expenses	10,006.30	1,616.00			71,572.31	1,616.00
Expenditures, Congressional relief:						
Roads and bridges	19,247.86					
Public buildings	19,198.20					
Contingent expenses	319.90				38,765.96	
Payments to municipalities			158,097.07		153,097.07	
Transfers	613.74				613.74	
Exchanges and adjustments of currency	628.04	1,884.38		913.34	628.04	2,297.72
Miscellaneous revenues re-funded	187.58	3.85	1.55	3.96	189.13	7.81
Balances June 30, 1905:						
Cash balances	56,292.95		3,966.98			
Credits in suspense, present treasurer	663.54				60,923.47	
Total	168,724.12	3,004.23	157,065.60	917.30	325,789.72	3,921.53

PROVINCE OF CEBÚ.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱8,453.35	\$61,102.86	₱10,514.38	\$0.10		
Credits in suspense July 1, 1904					₱27,540.44	\$69,843.34
Collections:						
Registry of property	153.25					
Industrial tax	14,668.93	801.92	14,668.80	801.91		
Cedula tax	15,983.14	12,783.60	15,983.14	12,783.62		
Stamp tax	1,112.04	10.13	1,112.02	10.12		
Cart tax	610.74	1.70	610.67	1.69		
Land tax	25,498.87	3,317.15	33,997.23	4,422.87		
Municipal taxes			93,624.48	4,462.47		
Miscellaneous	65.00				218,083.31	39,397.18
Congressional relief fund:						
Sales of rice	5,501.05	290.25				
Loans to province	60,000.00				65,501.05	290.25

PROVINCE OF CEBÚ—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Internal-revenue refunds, Act No. 1189:						
Cedula	₱54,736.50		₱54,736.50			
Municipal licenses			695.00			
Refund by settlement warrants	19,632.58		29,448.87		₱159,249.45	
Forestry refunds, Act No. 527	814.65		814.65		1,629.30	
Loans by province to municipalities, repaid	1,260.67				1,260.67	
Transfers	14.56		8.68		23.24	
Exchanges and adjustments of currency	70,973.52		160.59	\$1.19	71,134.11	\$1.19
Total	286,537.55	\$85,275.57	257,884.02	24,256.39	544,421.57	109,531.96
CREDIT.						
Expenditures, provincial:						
Salaries and wages	65,351.02	871.08				
Public buildings	6,464.51					
Roads and bridges	23,636.46					
Contingent expenses	57,716.41	794.82			153,168.40	1,665.90
Expenditures, Congressional relief:						
Roads and bridges	3,920.45	405.75				
Public buildings	3,095.08				7,015.53	405.75
Payments to municipalities			236,726.04	24,079.32	236,726.04	24,079.32
Loans to municipalities	18,500.00				18,500.00	
Relief of distress, Act No. 276		4,767.92				4,767.92
Transfers	14.56		8.68		23.24	
Exchanges and adjustments of currency		78,436.00	1.05	177.07	1.05	78,613.07
Balances June 30, 1905:						
Cash balances	107,108.74		21,148.11			
Credits in suspense, present treasurer	730.32		.14		128,987.31	
Total	286,537.55	85,275.57	257,884.02	24,256.39	544,421.57	109,531.96

PROVINCE OF ILOCOS NORTE.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱14,939.92	\$13,782.73	₱9,727.22	\$289.12		
Credits in suspense July 1, 1904	912.75	66.49		.39	₱25,579.89	\$14,188.73
Collections:						
Registry of property	130.76					
Industrial tax	3,190.82		3,190.84			
Cedula tax	1,415.50		1,415.50			
Stamp tax	165.88		165.88			
Cart tax	183.90		183.90			
Land tax	13,684.49		18,246.00			
Municipal taxes			25,950.38	445.99		
Miscellaneous	1,168.15	.03			69,082.00	446.02
Congressional relief fund, sales of rice	14,504.27				14,504.27	
Internal-revenue refunds, Act No. 1189:						
Cedula	17,987.00		17,987.00			
Municipal licenses			687.50			
Refund by settlement warrants	5,375.54		8,063.31		50,100.35	
Forestry refunds, Act No. 527	716.68		716.68		1,433.36	
Payments to province from insular treasury	15,976.42				15,976.42	
Transfers	167,988.92	93,783.72	12,652.82		180,641.74	93,783.72
Exchanges and adjustments of currency	76,288.96	75,505.21	.85		76,289.31	75,505.21
Total	334,619.96	183,138.18	98,987.38	735.50	433,607.34	183,873.68

PROVINCE OF ILOCOS NORTE—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	₱31,540.79	.....	.....	.....	.....	.....
Public buildings.....	11,137.19	.....	.....	.....	.....	.....
Roads and bridges.....	3,354.60	.....	.....	.....	.....	.....
Contingent expenses.....	7,342.39	\$64.60	.....	.....	₱53,374.97	\$64.60
Expenditures, Congressional relief:						
Roads and bridges.....	14,194.73	.....	.....	.....	.....	.....
Public buildings.....	9,839.87	.....	.....	.....	.....	.....
Contingent expenses.....	153.21	.....	.....	.....	24,187.81	.....
Payments to municipalities.....	.....	.....	₱77,941.48	\$735.11	77,941.48	735.11
Transfers.....	167,988.92	93,783.72	12,652.82	.....	180,641.74	93,783.72
Exchanges and adjustments of currency.....	63,906.81	89,289.86	.....	.39	63,906.81	89,290.25
Balances June 30, 1905:						
Cash balances.....	20,908.90	.....	3,515.03	.....	.....	.....
Credits in suspense—						
Present treasurer.....	3,563.97	.....	4,878.05	.....	.....	.....
Former treasurer.....	688.58	.....	.....	.....	33,564.53	.....
Total.....	334,619.96	183,138.18	98,987.38	735.50	433,607.34	183,873.68

PROVINCE OF ILOCOS SUR.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	₱18,228.38	\$13,068.69	₱1,820.54	\$123.48	.....	.....
Credits in suspense July 1, 1904.....	879.96	133.96	267.97	5.05	₱21,196.85	\$13,321.18
Collections:						
Registry of property.....	23.00	.....	.....	.....	.....	.....
Industrial tax.....	5,049.57	78.02	5,049.53	78.01	.....	.....
Cedula tax.....	2,202.00	86.58	2,202.00	86.57	.....	.....
Stamp tax.....	177.56	6.47	177.54	6.47	.....	.....
Cart tax.....	9,308.61	567.77	9,308.56	567.74	.....	.....
Land tax.....	35,627.11	7,426.42	47,475.80	9,895.42	.....	.....
Municipal taxes.....	.....	.....	46,931.15	420.03	.....	.....
Miscellaneous.....	106.90	.....	.....	.....	163,639.33	19,199.50
Congressional relief fund, miscellaneous.....	84.20	.....	.....	.....	84.20	.....
Internal-revenue refunds, Act No. 1189:						
Cedula.....	20,124.50	.....	20,124.50	.....	.....	.....
Municipal licenses.....	.....	.....	2,257.50	.....	.....	.....
Refund by settlement warrants.....	7,185.73	.....	10,778.61	.....	60,470.84	.....
Forestry refunds, Act No. 527.....	341.16	.....	341.16	.....	682.32	.....
Transfers.....	6,219.86	7,603.40	77.02	.....	6,296.88	7,603.40
Exchanges and adjustments of currency.....	191,666.58	200,952.18	.....	.....	191,666.58	200,952.18
Total.....	297,225.12	229,903.49	146,811.88	11,172.77	444,037.00	241,076.26
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	39,251.52	28.58	.....	.....	.....	.....
Public buildings.....	30,156.40	.....	.....	.....	.....	.....
Roads and bridges.....	15,596.49	75.40	.....	.....	.....	.....
Contingent expenses.....	17,508.55	19.00	.....	.....	102,512.96	122.98
Expenditures, Congressional relief, roads, and bridges.....	486.82	.....	.....	.....	486.82	.....
Payments to municipalities.....	.....	.....	135,927.56	11,167.72	135,927.56	11,167.72
Transfers.....	2,294.67	5,472.50	75.39	.....	2,370.06	5,472.50
Exchanges and adjustments of currency.....	170,742.11	224,134.03	.....	.....	170,742.11	224,134.03
Balances June 30, 1905:						
Cash balances.....	21,062.21	163.00	28.52	.....	.....	.....
Credits in suspense—						
Present treasurer.....	46.35	.....	10,778.61	.....	.....	.....
Former treasurer.....	80.00	10.98	1.80	5.05	31,997.49	179.03
Total.....	297,225.12	229,903.49	146,811.88	11,172.77	444,037.00	241,076.26

PROVINCE OF ILOILO.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904	₱43,525.12	\$9,684.98	₱6,872.78			
Credits in suspense July 1, 1904	5,942.64	7,323.20	331.51	\$2,014.87	₱56,620.05	\$19,023.05
Collections:						
Registry of property	1,063.89					
Industrial tax	14,888.45	162.09	14,888.48	162.11		
Cedula tax	11,201.00	2,016.76	11,201.00	2,016.76		
Stamp tax	2,580.83	84.03	2,580.79	84.01		
Cart tax	412.40	31.59	412.40	31.59		
Land tax	51,566.00	3,669.15	48,111.22	3,675.97		
Municipal taxes			156,082.86	6,014.23		
Miscellaneous	5,683.92				\$20,623.24	17,948.29
Congressional relief fund, sales of rice	29,282.18				29,282.18	
Internal-revenue refunds, Act No. 1189:						
Cedula	41,435.50		41,435.50			
Municipal licenses			3,050.00			
Refund by settlement warrants	12,322.49		18,483.72		116,727.21	
Forestry refunds, Act No. 527	1,766.75		1,766.77		3,633.52	
Loans by province to municipalities, repaid	416.66				416.66	
Transfers	79,341.02	1,236.09	6,461.29	3.97	85,802.31	1,240.06
Exchanges and adjustments of currency	57,995.49	54,860.26	2,295.98	1,853.43	60,291.47	56,713.69
Total	359,424.34	79,068.15	318,872.30	15,856.94	673,296.64	94,925.09
CREDIT.						
Expenditures, provincial:						
Salaries and wages	67,580.19	762.45				
Public buildings	1,947.03					
Roads and bridges	25,231.13					
Contingent expenses	33,093.84	748.69			127,802.19	1,511.14
Expenditures, Congressional relief, roads and bridges	29,065.18				29,065.18	
Payments to municipalities			294,056.84	12,413.11	294,056.84	12,413.11
Loans to municipalities	1,150.00				1,150.00	
Transfers	79,341.02	1,236.09	6,461.29	3.97	85,802.31	1,240.06
Exchanges and adjustments of currency	47,915.31	66,809.57	1,592.86	2,597.23	49,508.17	69,406.80
Balances June 30, 1905:						
Cash balances	66,890.40	4,253.80	11,757.75			
Credits in suspense—						
Present treasurer	632.82					
Former treasurer	7,127.42	5,258.05	3.56	842.63	85,911.95	10,853.98
Total	359,424.34	79,068.15	313,872.30	15,856.94	673,296.64	94,925.09

PROVINCE OF ISABELA.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱14,672.04	\$13,575.77	₱23,898.25	\$8,713.98		
Credits in suspense July 1, 1904	908.28	39.00	635.46		₱40,114.03	\$22,328.75
Collections:						
Registry of property	1.00					
Industrial tax	7,088.64	32.92	7,079.47	32.92		
Cedula tax	694.00		694.00			
Stamp tax	112.94	.51	112.96	.51		
Land tax	7,829.44	46.81	10,433.28	61.10		
Municipal taxes			25,158.60	944.65		
Miscellaneous	7.64	1.44			59,211.97	1,119.86
Internal-revenue refunds, Act No. 1189:						
Cedula	8,872.50		8,872.50			
Municipal licenses			1,560.00			
Refund by settlement warrants	2,295.36		3,443.04		25,043.40	
Forestry refunds, Act No. 527	345.77		345.76		691.53	
Transfers	43,571.73	26,242.34	54,493.41	8,808.51	98,065.14	35,050.85
Exchanges and adjustments of currency	30,632.00	29,299.71	7,862.33		38,494.33	29,299.71
Total	117,081.34	69,237.50	144,569.06	18,561.67	261,620.40	87,799.17

PROVINCE OF ISABELA—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages	P26,112.34					
Public buildings	99.80					
Roads and bridges	12,323.67					
Contingent expenses	9,468.58				P48,004.39	
Payments to municipalities			P87,424.15	\$944.65	87,424.15	\$944.65
Transfers	43,571.73	\$26,242.34	54,493.41	8,808.51	98,065.14	35,050.85
Exchanges and adjustments of currency	25,007.32	35,100.58		8,808.51	25,007.32	43,909.09
Balances June 30, 1905:						
Cash balances	a 1,261.71	7,894.58	617.37			
Credits in suspense						
Present treasurer	1,635.31		2,054.13			
Former treasurer	74.30				8,119.40	7,894.58
Total	117,031.34	69,237.50	144,589.06	18,561.67	261,620.40	87,799.17

PROVINCE OF LAGUNA.

DEBIT.						
Balances:						
Cash balance July 1, 1904	P39,298.01	\$6,568.19	P351.54	\$15.13		
Credits in suspense July 1, 1904	510.32				P40,159.87	\$6,568.32
Collections:						
Registry of property	555.50					
Industrial tax	10,485.08	325.12	10,485.20	325.13		
Cedula tax	8,383.90	825.05	8,383.90	825.07		
Stamp tax	1,150.00	60.28	1,150.00	60.25		
Cart tax	137.70		137.70			
Land tax	87,818.03	2,630.89	117,090.70	3,507.88		
Municipal taxes			57,035.54	5,801.04		
Miscellaneous	370.47	37.53			303,188.72	14,398.24
Congressional fund, sales of rice	139.00				139.00	
Internal revenue refunds, Act No. 1189:						
Cedula	18,216.00		18,216.00			
Municipal licenses			5,722.50			
Refund by settlement warrants	4,462.91		6,694.35		58,311.76	
Forestry refunds, Act No. 527	475.91		475.91		951.82	
Loans by province to municipalities, repaid	126.08				126.08	
Transfers			1.74		1.74	
Exchanges and adjustments of currency	165,835.05	189,279.27			165,835.05	189,279.27
Total	337,963.96	199,726.33	225,745.08	10,534.50	563,709.04	210,260.83
CREDIT.						
Expenditures, provincial:						
Salaries and wages	47,022.45					
Public buildings	6,439.15					
Roads and bridges	13,650.88	503.40				
Contingent expenses	31,588.68				98,701.16	503.40
Payments to municipalities			215,817.33	10,534.50	215,817.33	10,534.50
Loans to municipalities	521.87				521.87	
Exchanges and adjustments of currency	163,673.66	190,658.33			163,673.66	190,658.33
Balances June 30, 1905:						
Cash balances	74,654.16	8,564.60	9,956.70			
Credits in suspense, present treasurer	413.11		b 28.95		84,995.02	8,564.60
Total	337,963.96	199,726.33	225,745.08	10,534.50	563,709.04	210,260.83

a Due officer.

b Credit.

PROVINCE OF LEPANTO-BONTOC.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904	₱8,153.55	\$2,858.78	₱843.71			
Credits in suspense July 1, 1904	1,058.43	6.30	925.75		₱10,981.44	\$2,865.08
Collections:						
Registry of property	88.00					
Industrial tax	111.34		111.35			
Cedula tax			2,042.00	\$145.77		
Stamp tax	4.27		4.23			
Land tax			4,886.25			
Municipal taxes			6,125.45			
Miscellaneous	13.96				13,386.85	145.77
Internal-revenue refunds, Act No. 1189:						
Cedula	5,019.50		5,019.50			
Municipal licenses			100.00			
Refund by settlement warrants	2,134.81		3,277.22		15,601.08	
Payments to province from insular treasury	28,227.00				28,227.00	
Transfers	10.18				10.18	
Exchanges and adjustments of currency	5,397.20	3,588.18	1,881.91	2,633.35	7,279.11	6,216.58
Total	50,268.24	6,448.26	25,217.37	2,779.12	75,485.61	9,227.38
CREDIT.						
Expenditures, provincial:						
Salaries and wages	24,492.54					
Public buildings	553.72	297.25				
Roads and bridges	7,180.14	.60				
Contingent expenses	9,789.79				42,016.19	297.85
Payments to municipalities			18,474.33	674.87	18,474.33	674.87
Transfers	10.18				10.18	
Exchanges and adjustments of currency	3,183.87	6,030.71	2,362.92	2,104.25	5,546.79	8,134.96
Balances June 30, 1905:						
Cash balances	3,696.09	119.70	2,397.00			
Credits in suspense, present treasurer	1,361.91		1,983.12		9,438.12	119.70
Total	50,268.24	6,448.26	25,217.37	2,779.12	75,485.61	9,227.38

PROVINCE OF LEYTE.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱24,864.40	\$4,826.75	₱21,928.07			
Credits in suspense July 1, 1904	12,283.20		6,815.43		₱65,891.10	\$4,826.75
Collections:						
Registry of property	40.40					
Industrial tax	17,181.05	1,399.55	17,950.49	\$542.36		
Cedula tax	10,644.50	385.57	10,699.50	323.87		
Stamp tax	769.60	1.13	769.63	.91		
Cart tax	223.00	13.75	223.00	13.75		
Land tax	37,165.13	1,783.09	49,911.87	1,976.21		
Municipal taxes			62,844.70	1,080.99		
Special school fund	1,713.50					
Miscellaneous	650.00				210,786.42	7,471.18
Internal-revenue refunds, Act No. 1189:						
Cedula	43,020.00		43,020.00			
Municipal licenses			4,050.00			
Refund by settlement warrants	11,680.02		17,520.03		119,290.05	
Forestry refunds, Act No. 527	1,764.75		1,764.76		3,529.51	
Transfers	7,776.21		7,362.82		15,189.03	
Exchanges and adjustments of currency	25,519.01	19,918.20	2,513.19		28,032.20	19,918.20
Total	195,294.77	28,328.04	247,373.54	3,888.09	442,668.31	32,216.18

PROVINCE OF LEYTE—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages	P50,526.33					
Public buildings	1,748.27					
Purchase of land	2,272.72					
Roads and bridges	67,494.79					
Aid to municipalities	1,273.69					
Contingent expenses	25,628.01				P148,943.81	
Payments to municipalities			P2201.28.45	\$1,116.53	220,128.45	\$1,116.53
Transfers	7,776.21		7,362.82		15,139.08	
Exchanges and adjustments of currency						
Balances June 30, 1906:	17,911.27	\$28,328.04		2,771.56	17,911.27	31,099.60
Cash balances	18,749.79		19,018.08			
Credits in suspense—						
Present treasurer	16.00		.50			
Former treasurer	1,897.69		863.69		40,545.75	
Total	196,294.77	28,328.04	247,373.54	3,888.09	442,668.31	32,216.13

PROVINCE OF MARINDUQUE.

DEBIT.						
Balances:						
Credits in suspense July 1, 1904	P50.00				P50.00	
Total	50.00				50.00	
CREDIT.						
Balances June 30, 1906:						
Credits in suspense, former treasurer	50.00				50.00	
Total	50.00				50.00	

PROVINCE OF MASBATE.

DEBIT.						
Balances:						
Cash balance July 1, 1904	P6,868.97	\$1,251.78	P4,183.44	\$157.36		
Credits in suspense July 1, 1904	3,400.65	876.33	3,420.95	452.92	P17,874.01	\$2,738.89
Collections:						
Registry of property	417.00					
Industrial tax	2,130.50		2,130.42			
Cedula tax	2,379.00		2,380.00			
Stamp tax	24.02		23.92			
Cart tax	5.00		5.00			
Land tax	6,860.62		13,720.43			
Municipal taxes			9,647.49		39,623.40	
Congressional relief fund, sales of rice	43.25				43.25	
Internal-revenue refunds, Act No. 1189:						
Cedula	4,206.00		4,206.00			
Municipal licenses			452.50			
Refund by settlement warrants	1,311.64		1,967.45		12,143.59	
Forestry refunds, Act No. 527	2,620.71		2,620.71		5,241.41	
Transfers	254.86		82.66		337.52	
Exchanges and adjustments of currency	1,108.67		136.83		1,245.50	
Total	31,630.89	2,128.11	44,877.79	610.28	76,508.68	2,738.89
CREDIT.						
Expenditures, provincial:						
Salaries and wages	11,961.55	508.85				
Roads and bridges	962.07					
Contingent expenses	10,885.84	372.48			23,829.46	876.33

PROVINCE OF MASBATE—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Expenditures, Congressional relief:						
Roads and bridges.....	P177.60					
Public buildings.....	45.40					
Contingent expenses.....	120.00				P343.00	
Payments to municipalities.....			P43,961.47	\$452.92	43,961.47	\$452.92
Transfers.....	254.86		82.66		337.52	
Exchanges and adjustments of currency.....		\$1,251.78		157.36		1,409.14
Balances June 30, 1906:						
Cash balances.....	6,732.36		833.66			
Credits in suspense—						
Present treasurer.....	296.32					
Former treasurer.....	176.89				8,037.23	
Total.....	31,630.89	2,128.11	44,877.79	610.28	76,508.68	2,738.39

PROVINCE OF MINDORO.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	P6,543.36	\$5,273.27	P3,991.51	\$585.74		
Credit in suspense July 1, 1904.....	4,516.65	a 12.45	748.09	253.44	P15,799.61	\$6,100.00
Collections:						
Registry of property.....	2.00					
Industrial tax.....	1,325.57	21.47	1,325.50	21.46		
Cedula tax.....			3,631.82	239.79		
Stamp tax.....	627.66	64.56	627.60	64.56		
Cart tax.....			81.60			
Land tax.....			11,104.13	1,100.30		
Municipal taxes.....			12,854.13			
Miscellaneous.....	340.18	30.60			31,770.09	1,542.74
Congressional relief fund, sales of rice.....	7,618.96	417.98			7,618.96	417.98
Internal-revenue refunds, Act No. 1189:						
Cedula.....	3,760.00		3,760.00			
Municipal licenses.....			300.00			
Refund by settlement warrants.....	1,188.72		1,783.07		10,791.79	
Forestry refunds, Act No. 527.....	2,752.19		2,752.18		5,504.37	
Payments to province from insular treasury.....	37,269.05				37,269.05	
Transfers.....	61.21	92.45	22.59		83.80	92.45
Exchanges and adjustments of currency.....	17,363.02	14,418.31			17,363.02	14,418.31
Total.....	88,368.57	20,306.19	42,832.12	2,265.29	126,200.69	22,571.48
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	30,145.22	80.00				
Public buildings.....	12.50					
Contingent expenses.....	20,526.55	9.00			50,684.27	89.00
Expenditures, Congressional relief:						
Roads and bridges.....	3,944.84					
Telephone construction.....	165.50					
Public buildings.....	6,355.28					
Calapan pier.....	3,245.63					
Contingent expenses.....	65.00				13,766.25	
Payments to municipalities.....			35,225.93	2,265.29	35,225.93	2,265.29
Transfers.....	35.02	92.45	3.59		38.61	92.45
Exchanges and adjustments of currency.....	12,318.99	20,124.74			12,318.99	20,124.74
Balances June 30, 1906:						
Cash balances.....	2,397.44		6,523.90			
Credits in suspense—						
Present treasurer.....	4,146.60		1,078.70			
Former treasurer.....	20.00				14,166.64	
Total.....	88,368.57	20,306.19	42,832.12	2,265.29	126,200.69	22,571.48

a Due officer.

PROVINCE OF MISAMIS.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904.	₱7,721.84	\$7,525.89	₱2,144.21	\$9,048.08	.....	.....
Credits in suspense July 1, 1904	301.04	185.50	.....	.....	₱10,167.09	\$16,759.56
Collections:						
Registry of property	71.55	.....	.....	.....	.....	.....
Industrial tax	8,298.51	850.03	8,296.52	850.04	.....	.....
Cedula tax	8,295.00	1,473.35	8,295.00	1,473.35	.....	.....
Stamp tax	264.57	.26	264.56	.25	.....	.....
Cart tax	236.60	3.39	236.60	3.39	.....	.....
Land tax	13,471.97	883.54	17,958.40	1,178.03	.....	.....
Municipal tax	.....	.....	26,208.07	719.88	91,895.35	7,435.51
Congressional relief fund, sales of rice	5,143.92	.....	.....	.....	5,143.92	.....
Internal-revenue refunds, Act No. 1189:						
Cedula	12,589.00	.....	12,589.00	.....	.....	.....
Municipal licenses	.....	.....	707.50	.....	.....	.....
Refund by settlement warrants	5,189.82	.....	7,784.74	.....	38,860.06	.....
Forestry refunds, Act No. 527	490.20	.....	490.19	.....	980.39	.....
Loans by province to municipalities repaid	300.00	.....	.....	.....	300.00	.....
Transfers	18,292.78	2,414.79	4,368.67	3,179.19	22,661.45	5,593.98
Exchanges and adjustments of currency	15,382.17	98.10	11,902.76	20.00	27,284.93	118.10
Total.....	96,046.97	13,434.94	101,246.22	16,472.21	197,293.19	29,907.15
CREDIT.						
Expenditures, provincial:						
Salaries and wages	22,371.63	.....	.....	.....	.....	.....
Public buildings	352.22	.....	.....	.....	.....	.....
Roads and bridges	5,031.33	.....	.....	.....	.....	.....
Contingent expenses	14,652.01	.....	.....	.....	42,407.19	.....
Expenditures, Congressional relief, roads and bridges	5,143.92	.....	.....	.....	5,143.92	.....
Repayments of loans to Insular treasury	5,000.00	.....	.....	.....	5,000.00	.....
Payments to municipalities	.....	.....	86,125.84	.....	86,125.84	.....
Transfers	18,292.78	2,414.79	4,368.67	3,179.19	22,661.45	5,593.98
Exchanges and adjustments of currency	85.60	17,450.53	.....	13,298.02	85.60	30,743.55
Balances June 30, 1905:						
Cash balances	14,512.38	93.20	2,504.39	.....	.....	.....
Credits in suspense, present treasurer	10,605.10	a 6,523.58	8,247.32	.....	35,869.19	a 6,430.38
Total.....	96,046.97	13,434.94	101,246.22	16,472.21	197,293.19	29,907.15

PROVINCE OF MORO.

DEBIT.						
Balances:						
Cash balance July 1, 1904.	₱459,363.54	\$558.88	₱6.99	\$22.97	.....	.....
Credits in suspense July 1, 1904	21,905.39	.....	864.20	114.20	₱482,140.12	\$691.06
Collections:						
Registry of property	379.75	.....	.....	.....	.....	.....
Industrial tax	24,267.45	513.37	.....	.....	.....	.....
Cedula tax	26,088.31	4,853.03	.....	.....	.....	.....
Stamp tax	1,361.68	8.09	.....	.....	.....	.....
Land tax	32,321.45	.....	.....	.....	.....	.....
Moro exchange	822.33	.....	.....	.....	.....	.....
Fines	868.00	.....	.....	.....	.....	.....
Shell-fishing licenses	3,850.00	165.00	.....	.....	.....	.....
Permits for arms	373.00	.....	.....	.....	.....	.....
Municipal	.....	.....	85,315.74	1,102.96	.....	.....
Miscellaneous	68.65	.....	.....	.....	175,716.96	6,642.45
Congressional relief fund, sales of rice	579.00	.....	.....	.....	579.00	.....
Internal-revenue refunds, Act No. 1189:						
Cedula	13,344.00	.....	1,060.88	.....	.....	.....
Municipal licenses	.....	.....	.....	.....	.....	.....
Refund by settlement warrant	28,758.43	.....	.....	.....	43,163.26	.....

a Due officer.

PROVINCE OF MORO—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Internal-revenue refunds, Acts Nos. 168 and 311, refund by settlement warrant.....	P80,747.24				P80,747.24	
Forestry refunds, Act No. 527 ..	5,078.45				5,078.45	
Payments to province from insular treasury	6,612.00				6,612.00	
Deposits, customs	263,367.11	\$564.53			263,367.11	\$564.53
Exchanges and adjustments of currency	72,770.63	78,307.87			72,770.63	78,307.87
Total	1,042,927.01	84,955.77	P87,247.76	\$1,240.13	1,130,174.77	86,195.90
CREDIT.						
Expenditures, provincial:						
Salaries and wages	203,465.77					
Public buildings	69,200.87					
Roads and bridges	52,976.62					
Wharf and docks	11,115.71					
Customs expenditures refund insular government ..	52,009.58					
Contingent expenses	97,981.85				486,750.40	
Expenditures, Congressional relief:						
Roads and bridges	74,826.80					
Public buildings	240.00				75,066.80	
Payments to municipalities ..			86,154.36	1,240.13	86,154.36	1,240.13
Exchanges and adjustments of currency	67,419.90	84,194.44			67,419.90	84,194.44
Balances June 30, 1905:						
Cash balances	407,328.42	761.33	363.40			
Credits in suspense—						
Present treasurer	5,949.26		729.50			
Former treasurer	412.23		.50		414,783.31	761.33
Total	1,042,927.01	84,955.77	87,247.76	1,240.13	1,130,174.77	86,195.90

PROVINCE OF NUEVA ÉCJA.

DEBIT.						
Balances:						
Cash balance July 1, 1904 ..	P15,188.59	\$418.81	P1,095.22			
Credits in suspense July 1, 1904	349.72	a 250.00			P16,633.53	\$163.81
Collections:						
Registry of property	253.07					
Industrial tax	2,637.67	19.20	2,637.62	\$19.17		
Cedula tax	1,599.28	213.25	1,599.27	213.25		
Stamp tax	78.95	.33	78.93	.33		
Cart tax	1,573.15	66.55	1,573.15	66.55		
Land tax	30,560.51	1,546.28	30,988.09	1,507.60		
Municipal taxes			31,778.33	444.76		
Miscellaneous	3,055.33				108,408.35	4,097.27
Congressional relief fund, sales of rice	15,034.49				15,034.49	
Internal-revenue refunds, Act No. 1189:						
Cedula	14,258.00		14,258.00			
Municipal licenses			1,685.00			
Refund by settlement warrants	4,028.67		6,043.01		40,272.68	
Forestry refunds, Act No. 527 ..	505.61		505.61		1,011.22	
Transfers	28,728.71				28,728.71	
Exchanges and adjustments of currency	80,289.88	96,021.61	3,618.27		83,908.15	96,021.61
Total	198,141.63	98,081.03	95,855.50	2,251.66	293,997.13	100,282.69
CREDIT.						
Expenditures, provincial:						
Salaries and wages	27,544.28					
Public buildings	10,315.61					
Roads and bridges	5,620.59					
Contingent expenses	10,040.10				53,520.58	

a Due officer.

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Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Expenditures, Congressional relief:						
Roads and bridges	P8,414.07					
Public buildings	2,540.88					
Contingent expenses	1,143.78					
Payments to municipalities			P88,618.96	\$2,251.66	P12,098.73	
Transfers	25,110.44		3,618.27		88,618.96	\$2,251.66
Exchanges and adjustments of currency					28,728.71	
Balances June 30, 1906:	82,081.46	\$98,031.03			82,081.46	98,031.03
Cash balances	25,080.42		3,618.27			
Credits in suspense, former treasurer	a 250.00				28,948.69	
Total	198,141.63	98,031.03	95,855.50	2,251.66	293,997.13	100,282.69

DEBIT.					
Balances:					
Cash balance July 1, 1904	₹6,885.98	\$739.81	₹2,154.76	\$108.64	
Credits in suspense July 1, 1904	984.07	35.00	1,827.04	90.83	₹11,851.85
Collections:					\$978.78
Industrial tax	150.66		150.66		
Cedula tax			1,548.00		
Stamp tax	74.92		74.92		
Cart tax			592.25		
Land tax			5,598.17		
Municipal taxes			7,366.15		
Miscellaneous					15,556.78
Internal-revenue refunds, Act No. 1189:					
Cedula	2,458.00		2,458.00		
Municipal licenses			100.00		
Refund by settlement warrants	1,878.22		2,817.33		9,711.55
Payments to province from insular treasury	20,000.00				20,000.00
Transfers	9,464.52	56.24	5,960.96	39.52	15,425.48
Exchanges and adjustments of currency	3,099.66	2,905.05	95.60		3,195.26
Total	44,996.03	3,735.60	30,743.84	238.99	75,739.87
CREDIT.					
Expenditures, provincial:					
Salaries and wages	14,198.45				
Public buildings	2,642.65				
Roads and bridges	1,256.70				
Contingent expenses	9,049.58				27,047.38
Payments to municipalities			20,738.21	90.45	20,738.21
Transfers	9,464.52	56.24	5,960.96	39.52	15,425.48
Exchanges and adjustments of currency	2,447.81	3,627.45		109.02	2,447.81
Balances June 30, 1906:					3,736.47
Cash balances	4,130.53	51.91	2,340.27		
Credits in suspense—					
Present treasurer	1,847.79		1,704.40		
Former treasurer	58.00				10,080.99
Total	44,996.03	3,735.60	30,743.84	238.99	75,739.87

DEBIT.						
Balances:						
Cash balance July 1, 1904	₹42,815.91	\$4,900.41	₹20,357.79	\$3,902.98	-----	-----
Credits in suspense July 1, 1904	1,827.39	10,087.86	11,140.84	15,195.53	₹76,141.43	\$13,910.86
		a Due officer.				

PROVINCE OF OCCIDENTAL NEGROS—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Collections:						
Registry of property	₱788.41					
Industrial tax	8,645.63	\$214.76	₱8,645.60	\$214.78		
Cedula tax	19,692.93	1,893.22	19,692.92	1,893.22		
Stamp tax	562.34	16.21	562.31	16.19		
Cart tax	2,417.86	29.52	2,417.89	29.52		
Land tax	50,038.69	2,563.08	61,147.00	3,355.59		
Municipal taxes			49,753.28	837.39		
Miscellaneous	776.15				₱225,141.01	\$11,063.48
Congressional relief fund, sales of rice	22,505.02	774.77			22,505.02	774.77
Internal-revenue refunds, Act No. 1189:						
Cedula	33,840.00		33,840.00			
Municipal licenses			1,152.50			
Refund by settlement warrants	9,257.95		13,886.94		91,977.39	
Forestry refunds, Act No. 527	3,106.86		3,106.88		6,213.71	
Loans by province to municipalities, repaid	1,373.01				1,373.01	
Transfers	101,219.66	13,170.39	81,060.95	13,409.05	182,280.61	26,579.44
Exchanges and adjustments of currency	10,924.93	16,010.37	17,088.67		27,963.60	16,010.37
Total	309,792.74	29,484.87	323,803.04	38,854.05	633,595.78	68,338.92
CREDIT.						
Expenditures, provincial:						
Salaries and wages	54,749.10	52.37				
Public buildings	2,905.92					
Roads and bridges	18,220.88	140.00				
Contingent expenses	37,803.96	1,064.16			113,679.86	1,256.58
Expenditures, Congressional relief:						
Roads and bridges	1,821.62	182.60				
Public buildings	17,670.75					
School building fund	427.45					
Contingent expenses	1,232.89	550.57			21,152.71	733.17
Payments to municipalities			220,965.34	6,533.84	220,965.34	6,533.84
Loans to municipalities	47.28				47.28	
Refund of excess collections		1,031.14				1,031.14
Transfers	101,219.66	13,170.39	81,060.95	13,409.05	182,280.61	26,579.44
Exchanges and adjustments of currency	13,794.66	12,729.91	3.80	18,911.16	13,798.46	31,641.07
Balances June 30, 1905:						
Cash balances	47,543.50	556.73	6,887.89			
Credits in suspense—						
Present treasurer	182.44		13,886.94			
Former treasurer	12,172.63	7.00	998.12		81,671.52	563.73
Total	309,792.74	29,484.87	323,803.04	38,854.05	633,595.78	68,338.92

PROVINCE OF ORIENTAL NEGROS.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱56,871.69	\$8,791.74	₱3,385.35	\$4,051.38		
Credits in suspense July 1, 1904	504.02	67.00	2,907.90	590.59	₱63,668.96	\$13,500.71
Collections:						
Registry of property	218.45					
Industrial tax	2,717.68	138.67	2,717.64	138.65		
Cedula tax	5,322.50	1,552.09	5,322.50	1,552.07		
Stamp tax	91.16	5.82	91.15	5.80		
Cart tax	30.00	2.20	30.00	2.20		
Land tax	12,989.63	4,556.54	16,608.93	5,740.35		
Municipal taxes			25,646.70	661.41		
Miscellaneous	1.50				71,787.84	14,355.80
Congressional relief fund, sales of rice	5,831.84	633.48			5,831.84	633.48
Internal-revenue refunds, Act No. 1189:						
Cedula	15,508.50		15,508.50			
Municipal licenses			3,325.00			
Refunds by settlement warrants	6,051.22		9,076.84		49,470.06	

PROVINCE OF ORIENTAL NEGROS—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Forestry refunds, Act No. 527..	₱231.38		₱231.31		₱462.64	
Transfers	55,466.01	\$16,852.78	6,695.13		62,151.14	\$16,852.78
Exchanges and adjustments of currency	59,305.52	72,836.23	10,942.34		70,247.86	72,836.23
Total	221,131.05	105,436.55	102,489.29	\$12,742.45	323,620.34	118,179.00
CREDIT.						
Expenditures, provincial:						
Salaries and wages	25,485.93	52.00				
Public buildings	186.26					
Roads and bridges	10,132.45					
Contingent expenses	14,748.45	15.00			50,568.09	67.00
Expenditures, Congressional relief:						
Roads and bridges	24,364.24					
Public buildings	1,090.69					
Contingent expenses	882.70				26,337.63	
Payments to municipalities			84,441.30	590.59	84,441.30	590.59
Loans to municipalities	3,065.00				3,065.00	
Refund of excess collections	15.91				15.91	
Transfers	55,466.01	16,852.78	6,695.13		62,151.14	16,852.78
Exchanges and adjustments of currency	61,386.94	68,029.80		12,151.86	61,386.94	80,181.66
Balances June 30, 1905:						
Cash balances	14,846.62	20,486.97	5,861.66			
Credits in suspense, present treasurer	9,469.85		5,491.20		35,669.33	20,486.97
Total	221,131.05	105,436.55	102,489.29	12,742.45	323,620.34	118,179.00

PROVINCE OF PALAWAN.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱2,654.76		₱3,985.59			
Credits in suspense July 1, 1904		\$9.19	466.89		₱9,222.94	\$9.19
Collections:						
Industrial tax	656.34		656.29			
Cedula tax			3,209.00			
Stamp tax	72.80		72.79			
Land tax			783.79			
Municipal taxes			6,149.87			
Miscellaneous	750.10				12,300.48	
Internal-revenue refunds, Act No. 1189:						
Cedula	2,393.00		2,393.00			
Municipal licenses			200.00			
Refund by settlement warrants	1,072.02		1,608.02		7,666.04	
Forestry refunds, Act No. 527	1,085.20		1,085.21		2,170.41	
Payments to province from insular treasury	10,000.00				10,000.00	
Transfers	2,380.69	12,039.92	6,808.01		9,188.70	12,039.92
Exchanges and adjustments of currency	6,601.24	7,663.83			6,601.24	7,663.83
Total	29,832.35	19,712.94	27,317.46		57,149.81	19,712.94
CREDIT.						
Expenditures, provincial:						
Salaries and wages	9,114.40					
Contingent expenses	7,182.89				16,297.29	
Payments to municipalities			16,634.75		16,634.75	
Transfers	2,380.69	12,039.92	6,808.01		9,188.70	12,039.92
Exchanges and adjustments of currency	6,588.56	7,673.02			6,588.56	7,673.02
Balances June 30, 1905:						
Cash balances	1,609.51		2,057.20			
Credits in suspense—						
Present treasurer	2,649.15		1,816.38			
Former treasurer	307.15		1.12		8,440.51	
Total	29,832.35	19,712.94	27,317.46		57,149.81	19,712.94

PROVINCE OF PAMPANGA.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904	P64,408.57	\$7,623.61	P38,371.00	\$3,672.55		
Credits in suspense July 1, 1904	188.01				P102,967.58	\$11,296.16
Collections:						
Registry of property	181.62					
Industrial tax	6,702.20	19.08	6,702.20	19.04		
Cedula tax	5,257.00	128.02	5,257.00	128.02		
Stamp tax	242.59		248.06			
Cart tax	8,107.63	25.30	8,107.72	25.30		
Land tax	93,866.65	738.05	113,181.78	912.32		
Municipal taxes			42,044.97	166.62	279,848.42	2,156.70
Internal-revenue refunds, Act No. 1189:						
Cedula	21,727.50		21,727.50			
Municipal licenses			2,177.50			
Refund by settlement warrants	6,719.72		10,079.60		62,431.82	
Forestry refunds, Act No. 527	1,081.61		1,081.60		2,163.21	
Loans by province to municipalities repaid	500.00				500.00	
Transfers	70,163.50		1,800.51		71,464.01	
Exchanges and adjustments of currency	63,562.26	63,602.80			63,562.26	63,602.80
Total	337,697.86	72,131.81	245,229.44	4,923.85	582,927.30	77,055.66
CREDIT.						
Expenditures, provincial:						
Salaries and wages	39,734.53					
Public buildings	1,075.66					
Roads and bridges	29,839.53					
Contingent expenses	25,787.96				96,437.68	
Expenditures, Congressional relief, roads and bridges	83.14				83.14	
Payments to municipalities			231,882.11	4,923.85	231,882.11	4,923.85
Loans to municipalities	1,000.00				1,000.00	
Transfers	70,164.10		1,299.91		71,464.01	
Exchanges and adjustments of currency	55,883.43	72,131.81			55,883.43	72,131.81
Balance June 30, 1905:						
Cash balances	114,129.01		12,047.42			
Credits in suspense, present treasurer	.50				126,176.93	
Total	337,697.86	72,131.81	245,229.44	4,923.85	582,927.30	77,055.66

PROVINCE OF PANGASINAN.

DEBIT.						
Balances:						
Cash balance July 1, 1904	P66,085.43	\$9,295.41	P322.00	\$0.01		
Credits in suspense July 1, 1904	8,188.61	3,826.38	1,634.20	3,532.46	P76,230.24	\$16,654.26
Collections:						
Registry of property	3,326.29					
Industrial tax	11,159.70	33.24	11,159.72	33.22		
Cedula tax	13,871.75	521.16	13,871.75	521.14		
Stamp tax	418.19		418.18			
Cart tax	13,715.48	5.94	13,715.49	5.94		
Land tax	78,246.11	460.40	100,804.43	556.49		
Municipal taxes			110,147.26	1,955.46		
Special school fund			338.55			
Miscellaneous	189.50				371,382.40	4,092.99
Internal-revenue refunds, Act No. 1189:						
Cedula	50,513.50		50,513.50			
Municipal licenses			4,299.16			
Refund by settlement warrants	13,289.68		19,934.52		138,550.36	
Forestry refunds, Act No. 527	1,804.70		1,804.71		3,609.41	
Transfers	62,066.42	3,169.30	6,331.61	8.38	68,388.03	3,177.68
Exchanges and adjustments of currency	239,564.52	300,561.67	966.35	235.09	240,530.87	300,786.76
Total	562,439.88	317,863.50	336,261.43	6,848.19	898,701.31	324,711.69

PROVINCE OF PANGASINAN—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages	₱58,618.98	\$48.65				
Public buildings	12,801.82					
Roads and bridges	36,414.24	100.58				
Contingent expenses	45,095.23	1,366.63			₱152,929.77	\$1,515.86
Payment to municipalities			₱297,173.69	\$5,437.64	297,173.69	5,437.64
Loans to municipalities		2,000.00				2,000.00
Transfers	61,633.16	3,169.30	6,885.58	8.38	68,468.69	3,177.68
Exchanges and adjustments of currency	251,096.49	284,697.96	63.65	1,416.59	251,160.14	286,114.56
Balances June 30, 1906:						
Cash balances	87,796.63	26,190.19	81,923.09			
Credits in suspense—						
Present treasurer	7,146.43	32.64	a 2.60			
Former treasurer	1,838.40	257.55	268.07	a 14.42	128,969.02	26,465.96
Total	562,439.88	317,863.50	336,261.43	6,848.19	898,701.81	324,711.69

PROVINCE OF RIZAL.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱32,912.71	\$3,150.18	₱5,103.26	\$1,022.88		
Credits in suspense July 1, 1904	2,022.41	6,980.01	1,392.44		₱41,430.82	\$11,153.07
Collections:						
Registry of property	860.19					
Industrial tax	8,167.82	15.15	8,167.31	15.15		
Cedula tax	4,921.00	143.73	4,919.00	143.73		
Stamp tax	291.48	.77	291.02	.77		
Cart tax	4.50		4.50			
Land tax	45,872.39	109.39	54,154.31	141.24		
Municipal taxes			71,818.19	5,330.98	198,971.71	5,900.91
Miscellaneous						
Congressional relief fund, sales of rice	11,884.24				11,884.24	
Internal-revenue refunds, Act No. 1189:						
Cedula	14,699.50		14,699.50			
Municipal licenses			3,256.04			
Refund by settlement warrants	4,632.49		6,798.73		43,985.26	
Forestry refunds, Act No. 527	652.75		652.74		1,305.49	
Loans by province to municipalities, repaid	889.00				889.00	
Transfers	19,385.28		1,165.88		20,551.16	
Exchanges and adjustments of currency	139,860.86	150,007.35	6,121.74	115.00	145,982.10	150,122.35
Total	286,456.12	160,406.58	178,543.66	6,769.75	464,999.78	167,176.33
CREDIT.						
Expenditures, provincial:						
Salaries and wages	38,170.13					
Public buildings	221.16					
Roads and bridges	21,815.29					
Contingent expenses	20,254.68				80,461.16	
Expenditures, Congressional relief:						
Roads and bridges	108.42					
Public buildings	11,884.24				11,992.66	
Repayments of loans to insular treasury	2,000.00				2,000.00	
Payments to municipalities			168,084.26		168,084.26	
Repayments of advance to insular treasury	3,978.82		1,243.58		5,217.40	
Refund of excess collection	272.30				272.30	
Transfers	19,385.28		1,167.62		20,552.90	
Exchanges and adjustments of currency	130,940.72	160,406.58	100.00	6,769.75	131,040.72	167,176.33
Balances June 30, 1905:						
Cash balances	35,751.81		7,799.03			
Credits in suspense—						
Present treasurer	134.33		.31			
Former treasurer	1,644.04		148.86		45,378.88	
Total	286,456.12	160,406.58	178,543.66	6,769.75	464,999.78	167,176.33

a Due officer.

PROVINCE OF ROMBLÓN.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904	₱16,462.57	\$150.08	₱1,083.32	\$456.80		
Credits in suspense July 1, 1904	21.00				₱17,566.89	\$606.88
Collections:						
Registry of property	29.00					
Industrial tax	4,004.06	596.88	4,003.92	596.88		
Cedula tax	2,461.50	593.21	2,461.50	593.21		
Stamp tax	86.04	1.97		86.00		
Cart tax	27.50			27.50		
Land tax	5,454.98	718.82	5,737.88	894.79		
Municipal taxes			13,624.84	865.32		
Miscellaneous	17.54	5.67			33,021.20	4,867.23
Congressional relief fund, sales of rice	6,241.45	36.00			6,241.45	36.00
Internal-revenue refunds, Act No. 1189:						
Cedula	4,823.00		4,823.00			
Municipal licenses			212.50			
Refunds by settlement warrants	1,587.12		2,380.68		13,826.30	
Forestry refunds, Act No. 527	256.24		256.22		512.46	
Transfers	5.00				5.00	
Exchanges and adjustments of currency	14,936.68	15,526.87			14,936.68	15,526.87
Total	56,413.62	17,628.50	34,696.36	3,408.48	91,109.98	21,036.96
CREDIT.						
Expenditures, provincial:						
Salaries and wages	9,876.04					
Public buildings	1,374.30					
Contingent expenses	6,078.75				17,329.09	
Expenditures, Congressional relief:						
Roads and bridges	4,927.79					
Public buildings	889.98				5,817.77	
Repayments of loans to insular treasury	2,000.00				2,000.00	
Payments to municipalities			33,249.75	3,408.48	33,249.75	3,408.48
Transfers	5.00				5.00	
Exchanges and adjustments of currency	13,297.14	17,322.46			13,297.14	17,322.46
Balances June 30, 1905:						
Cash balance	16,986.65	304.04	6.76			
Credits in suspense, present treasurer	977.97	2.00	1,439.85		19,411.28	306.04
Total	56,413.62	17,628.50	34,696.36	3,408.48	91,109.98	21,036.96

PROVINCE OF SAMAR.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱75,083.58	\$3,798.24	₱24,456.42			
Credits in suspense July 1, 1904	9,584.25	2,814.21	2,098.56	₱407.78	₱111,166.81	\$5,704.67
Collections:						
Registry of property	175.73					
Industrial tax	10,587.73		10,587.60			
Cedula tax	13,204.25	56.00	13,204.25	56.00		
Stamp tax	2,261.47				2,261.47	
Cart tax	59.67				59.67	
Land tax	18,558.51		24,744.82			
Municipal taxes			24,488.86			
Miscellaneous	86.80	15.07			120,280.13	127.07
Congressional relief fund, sales of rice	48.00				48.00	
Internal-revenue refunds, Act No. 1189:						
Cedula	26,648.00		26,648.00			
Municipal licenses			1,563.32			
Refund by settlement warrants	7,995.57		11,993.35		74,848.24	
Forestry refunds, Act No. 527	900.11		900.10		1,800.21	
Internal-revenue refund, Acts Nos. 163 and 311, refund by settlement warrants	1,261.97		1,070.24		1,261.97	

a Due officer.

PROVINCE OF SÁMAR—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Transfers	P45.60	\$23.96	.....	.....	P45.60	\$23.96
Exchanges and adjustments of currency	157,273.67	178,225.58	P41.31	\$464.10	157,314.98	178,689.68
Total	323,724.71	184,433.06	144,111.47	112.32	467,836.18	184,545.38
CREDIT.						
Expenditures, provincial:						
Salaries and wages	44,087.45	.....	.....	.....	.....	.....
Public buildings	465.52	.....	.....	.....	.....	.....
Roads and bridges	37,123.78	.....	.....	.....	.....	.....
Contingent expenses	74,226.35	436.32	.....	.....	155,893.10	436.32
Expenditures, Congressional relief, roads and bridges	643.10	.....	.....	.....	643.10	.....
Payments to municipalities .....	.....	.....	129,458.15	56.00	129,458.15	56.00
Loans to municipalities	1,100.00	.....	.....	.....	1,100.00	.....
Transfers	45.60	23.96	.....	.....	45.60	23.96
Exchanges and adjustments of currency	152,306.10	183,788.68	398.68	56.32	152,704.78	183,845.00
Balances June 30, 1905:	.....	.....	.....	.....	.....	.....
Cash balances	4,970.04	135.30	14,547.26	.....	.....	.....
Credits in suspense—	.....	.....	.....	.....	.....	.....
Present treasurer	7,374.17	48.80	a292.66	.....	.....	.....
Former treasurer	1,392.60	.....	.....	.....	27,991.45	184.10
Total	323,724.71	184,433.06	144,111.47	112.32	467,836.18	184,545.38

PROVINCE OF SORSOGÓN.

DEBIT.						
Balances:	.....	.....	.....	.....	.....	.....
Cash balance July 1, 1904...	P16,461.24	\$6,028.29	P7,496.58	.....	.....	.....
Credits in suspense July 1, 1904	a20.63	387.75	795.50	\$7.00	P24,731.69	\$6,423.04
Collections:						
Registry of property	274.25	.....	.....	.....	.....	.....
Industrial tax	15,244.40	.....	15,244.31	.....	.....	.....
Cedula tax	4,295.50	.....	4,295.50	.....	.....	.....
Stamp tax	178.10	.....	325.83	.....	.....	.....
Cart tax	3.00	.....	3.00	.....	.....	.....
Land tax	33,887.96	.....	45,297.60	.....	.....	.....
Municipal taxes .....	.....	.....	53,663.75	.....	.....	.....
Special school fund	6,419.23	.....	.....	.....	.....	.....
Miscellaneous	48.44	.....	.....	.....	179,170.87	.....
Internal-revenue refunds, Act No. 1189:						
Cedula	15,027.00	.....	15,027.00	.....	.....	.....
Municipal licenses .....	.....	.....	5,325.00	.....	.....	.....
Refund by settlement warrants	3,618.68	.....	5,428.02	.....	44,425.70	.....
Forestry refunds, Act No. 527	791.46	.....	791.45	.....	1,582.91	.....
Loans to province from insular treasury	20,000.00	.....	.....	.....	20,000.00	.....
Transfers	28,610.77	.....	6,682.12	.....	35,292.89	.....
Exchanges and adjustments of currency	5,554.35	.....	6.36	.....	5,560.71	.....
Total	150,393.75	6,416.04	160,371.02	7.00	310,764.77	6,423.04
CREDIT.						
Expenditures, provincial:						
Salaries and wages	45,990.83	.....	.....	.....	.....	.....
Public buildings	1,840.82	.....	.....	.....	.....	.....
Roads and bridges	13,432.75	229.00	.....	.....	.....	.....
Contingent expenses	20,058.47	.....	.....	.....	81,322.87	229.00
Expenditures, Congressional relief, roads and bridges	698.89	.....	.....	.....	698.89	.....
Payments to municipalities .....	.....	.....	146,115.40	.....	146,115.40	.....
Transfers	28,610.77	.....	6,682.12	.....	35,292.89	.....
Exchanges and adjustments of currency .....	.....	6,187.04	.....	7.00	.....	6,194.04

a Due officer.

PROVINCE OF SORSOGÓN—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Balances June 30, 1906:						
Cash balances.....	P38,822.25		P6,785.45			
Credits in suspense—						
Present treasurer.....	111.46		.50			
Former treasurer.....	827.51		787.55		P47,334.72	
Total.....	150,393.75	\$6,416.04	160,371.02	\$7.00	310,764.77	\$6,423.04

PROVINCE OF SURIGAO.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	P6,538.65	\$956.49	P1,921.64	\$181.22		
Credits in suspense July 1, 1904.....	471.67		2,285.66		P11,217.62	\$1,137.71
Collections:						
Registry of property.....	59.00					
Industrial tax.....	4,784.83	1,841.17	4,784.80	1,841.16		
Cedula tax.....	4,384.61	1,389.19	4,384.62	1,389.21		
Stamp tax.....	243.20	41.97	243.15	41.97		
Land tax.....	12,386.58	1,822.43	16,118.45	1,711.86		
Municipal taxes.....			4,463.87	174.27		
Miscellaneous.....	819.00	20.00			52,672.06	9,778.23
Congressional relief fund, sales of rice.....	4,942.03	118.91			4,942.08	118.91
Internal-revenue refunds, Act No. 1189:						
Cedula.....	8,921.50		8,921.50			
Municipal licenses.....			110.00			
Refund by settlement warrants.....	3,453.11		5,179.67		26,585.78	
Forestry refunds, Act No. 527.....	399.92		399.93		799.85	
Transfers.....	19,288.85		9,485.35		28,774.20	
Exchanges and adjustments of currency.....	5,247.50	1,966.26	4,821.19		10,068.69	1,966.26
Total.....	71,940.40	7,656.42	63,119.83	5,339.69	135,060.23	12,996.11
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	17,366.79					
Public buildings.....	416.98					
Roads and bridges.....	629.03					
Contingent expenses.....	5,514.38				28,927.18	
Expenditures, Congressional relief:						
Roads and bridges.....	3,163.15					
Public buildings.....	1,753.12					
Contingent expenses.....	124.22				5,040.49	
Payments to municipalities:			46,268.90		46,268.90	
Transfers.....	19,288.85		9,485.35		28,774.20	
Exchanges and adjustments of currency.....	1,613.15	5,809.07		5,339.69	1,613.15	11,148.76
Balances June 30, 1906:						
Cash balances.....	19,981.71	1,847.35	3,220.41			
Credits in suspense—						
Present treasurer.....	2,089.02		3,556.29			
Former treasurer.....			588.88		29,436.31	1,847.35
Total.....	71,940.40	7,656.42	63,119.83	5,339.69	135,060.23	12,996.11

PROVINCE OF TÁRLAC.

DEBIT.						
Balances:						
Cash balance July 1, 1904.....	P34,443.42		P269.63			
Credits in suspense July 1, 1904.....	248.41	\$5.00			P34,961.46	\$5.00
Collections:						
Registry of property.....	110.55					
Industrial tax.....	5,577.27	89.80	5,577.22	\$89.80		

PROVINCE OF TÁRLAC—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT—continued.						
Collections—Continued.						
Cedula tax	₱3,694.50	\$199.28	₱3,694.50	\$199.28		
Stamp tax	245.87		245.88			
Cart tax	1,423.53	6.60	1,423.52	6.60		
Land tax	22,508.19	253.06	22,197.21	336.99		
Municipal taxes			32,048.87	1,483.01		
Miscellaneous	77.00				₱104,823.11	\$2,664.42
Congressional relief fund, sales of rice	664.99				664.99	
Internal-revenue refunds, Act No. 1189:						
Cedula	13,205.50		13,205.50			
Municipal licenses			2,147.50			
Refund by settlement warrants	4,057.46		6,086.19		38,702.15	
Forestry refunds, Act No. 527	840.66		840.65		1,681.31	
Exchanges and adjustments of currency	6,405.20	7,305.50			6,405.20	7,305.50
Total	93,502.05	7,859.24	93,736.17	2,115.68	187,238.22	9,974.92
CREDIT.						
Expenditures, provincial:						
Salaries and wages	28,415.48					
Public buildings	6,352.69					
Roads and bridges	13,493.32					
Contingent expenses	19,236.72				67,498.21	
Expenditures, Congressional relief, roads and bridges	382.99				382.99	
Payments to municipalities			89,824.71	2,115.68	89,824.71	2,115.68
Exchanges and adjustments of currency	5,903.22	7,859.24			5,903.22	7,859.24
Balances June 30, 1905:						
Cash balances	19,464.38		3,906.16			
Credits in suspense—						
Present treasurer	195.09		5.30			
Former treasurer	58.16				23,629.09	
Total	93,502.05	7,859.24	93,736.17	2,115.68	187,238.22	9,974.92

PROVINCE OF TAYABAS.

DEBIT.						
Balances:						
Cash balance July 1, 1904	₱28,026.05	\$12,222.75	₱29,396.17	\$510.12		
Credits in suspense July 1, 1904	2,009.78	45.27	4,497.52	2,414.25	₱63,929.52	\$15,192.39
Collections:						
Registry of property	175.06					
Industrial tax	9,397.66	203.10	9,397.64	203.10		
Cedula tax	10,135.50	1,186.18	10,135.50	1,186.18		
Stamp tax	289.50	1.67	289.51	1.68		
Cart tax	96.69	1.65	96.71	1.65		
Land tax	105,861.90	3,423.67	140,932.11	4,530.72		
Municipal taxes			53,469.22	1,585.63		
Miscellaneous	6,148.56	5.37			346,425.56	12,330.60
Congressional relief fund:						
Sales of rice	27,810.56				27,883.19	
Sales of galvanized iron	72.63					
Internal-revenue refunds, Act No. 1189:						
Cedula	22,775.00		22,775.00			
Municipal licenses			2,072.50			
Refund by settlement warrants	6,148.68		9,228.01		62,994.19	
Forestry refunds, Act No. 527	7,371.39		7,371.40		14,742.79	
Loans by province to municipalities, repaid	8,083.23				8,083.23	
Exchanges and adjustments of currency	94,941.44	101,783.99	490.07	196.21	95,431.51	101,980.20
Total	329,343.63	118,873.65	290,146.36	10,629.54	619,489.99	129,508.19

PROVINCE OF TAYABAS—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	P55,354.84					
Public buildings.....	3,619.83					
Roads and bridges.....	25,498.33					
Contingent expenses.....	84,379.07				P118,847.07	
Expenditures, Congressional relief:						
Roads and bridges.....	21,121.56					
Public buildings.....	5,217.82					
Contingent expenses.....	87.64				26,427.02	
Repayments of loans to Insular treasury.....	3,000.00				3,000.00	
Payments to municipalities.....			P258,935.25	\$10,022.07	258,935.25	\$10,022.07
Loans to municipalities.....	11,000.00				11,000.00	
Exchanges and adjustments of currency.....	36,888.65	\$109,697.78	178.37	590.76	87,067.02	110,258.54
Balances June 30, 1906:						
Cash balances.....	77,698.72	9,222.69	36,081.58	46.71		
Credits in suspense, present treasurer.....	5,487.17	a 46.82	1.21		119,213.68	9,222.58
Total.....	329,343.63	118,873.65	290,146.36	10,629.54	619,489.99	129,508.19

PROVINCE OF UNIÓN.

DEBIT.						
Balances:						
Cash balances July 1, 1904.....	P6,994.83	\$10,597.26	a P252.54	\$4.58		
Credits in suspense July 1, 1904.....	4,674.64	a 3,457.59	841.20	3,651.97	P12,258.13	\$10,796.22
Collections:						
Registry of property.....	48.51					
Industrial tax.....	4,951.29	90.47	4,951.03	90.46		
Cedula tax.....	2,269.50	344.96	2,269.50	344.97		
Stamp tax.....	298.26	5.25	298.29	5.25		
Cart tax.....	1,833.50	7.15	1,333.50	7.15		
Land tax.....	29,460.83	198.78	37,947.60	258.37		
Municipal taxes.....			24,164.41	1,339.49		
Miscellaneous.....	442.00				108,768.22	2,687.80
Congressional relief fund, sales of rice.....	1,091.78				1,091.78	
Internal-revenue refunds, Act No. 1189:						
Cedula.....	12,844.00		12,844.00			
Municipal licenses.....			1,352.50			
Refund by settlement warrants.....	4,139.55		6,209.32		37,889.37	
Forestry refunds, Act No. 527.....	369.31		369.30		738.61	
Exchanges and adjustments of currency.....	25,657.07	35,927.50	9,072.46	7,163.21	34,729.58	43,090.71
Total.....	98,575.07	43,708.78	101,400.57	12,865.45	194,975.64	56,574.23
CREDIT.						
Expenditures, provincial:						
Salaries and wages.....	30,087.04	1,341.40				
Public buildings.....	356.43					
Roads and bridges.....	10,116.81					
Contingent expenses.....	15,417.56	175.00			55,977.84	1,516.40
Expenditures, Congressional relief:						
Roads and bridges.....	3,965.38					
Public buildings.....	831.23				4,796.61	
Payments to municipalities.....			84,105.13	2,050.27	84,105.13	2,050.27
Exchanges and adjustments of currency.....	30,118.92	29,362.80	5,979.59	10,815.18	36,098.51	40,177.98
Balances June 30, 1906:						
Cash balances.....	5,522.47	12,829.58	8,220.00			
Credits in suspense—Present treasurer.....	479.86					
Former treasurer.....	a 3,820.63		3,095.85		13,997.55	12,829.58
Total.....	93,575.07	43,708.78	101,400.57	12,865.45	194,975.64	56,574.23

a Due officer.

PROVINCE OF ZAMBALES.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances:						
Cash balance July 1, 1904 ..	₱8,616.16	\$11.50	₱2,029.10	\$8.56	.....	.....
Credits in suspense July 1, 1904	1,063.69	598.04	182.26	28.00	₱11,841.21	\$641.10
Collections:						
Registry of property	11.06	.....	.....	.....	.....	.....
Industrial tax	1,360.47	10.18	1,360.28	10.17	.....	.....
Cedula tax	1,650.00	22.55	1,650.00	22.55	.....	.....
Stamp tax	76.70	.30	76.65	.31	.....	.....
Cart tax	941.60	2.42	941.60	2.42	.....	.....
Land tax	9,837.00	111.77	10,792.67	138.48	.....	.....
Municipal taxes .....	.....	.....	16,777.72	60.16	.....	.....
Miscellaneous	908.61	.....	.....	.....	46,384.30	381.81
Congressional relief fund, sales of rice	9,961.12	679.61	.....	.....	9,961.12	679.61
Internal-revenue refunds, Act No. 1189:						
Cedula	5,674.50	.....	5,674.50	.....	.....	.....
Municipal licenses .....	.....	.....	560.00	.....	.....	.....
Refund by settlement war-rants	1,799.80	.....	2,699.71	.....	16,398.51	.....
Forestry refunds, Act No. 527 ..	2,909.77	.....	2,909.75	.....	5,819.52	.....
Payments to province from insular treasury	1,212.00	.....	.....	.....	1,212.00	.....
Transfers	172.52	.....	.....	.....	172.52	.....
Exchanges and adjustments of currency	4,254.97	4,265.74	111.13	.....	4,366.10	4,265.74
Total	50,439.91	5,702.11	45,705.37	265.65	96,145.28	5,967.76
CREDIT.						
Expenditures, provincial:						
Salaries and wages	18,365.00	.....	.....	.....	.....	.....
Public buildings	803.92	.....	.....	.....	.....	.....
Roads and bridges	8,818.34	.....	.....	.....	.....	.....
Contingent expenses	5,448.47	.....	.....	.....	33,435.73	.....
Expenditures, Congressional relief:						
Roads and bridges	1,865.13	679.61	.....	.....	.....	.....
Public buildings	2,444.78	.....	.....	.....	4,309.91	679.61
Payments to municipalities .....	.....	.....	43,901.66	143.41	43,901.66	143.41
Transfers .....	.....	.....	101.86	.....	101.86	.....
Exchanges and adjustments of currency	3,669.81	4,912.63	.....	122.24	3,669.81	5,034.87
Balances June 30, 1905:						
Cash balances	7,668.77	.....	1,635.11	.....	.....	.....
Credits in suspense—						
Present treasurer	738.09	.....	52.74	.....	.....	.....
Former treasurer	622.60	109.87	14.00	.....	10,726.31	109.87
Total	50,439.91	5,702.11	45,705.37	265.65	96,145.28	5,967.76

CONSOLIDATION OF THE GENERAL ACCOUNTS OF PROVINCIAL TREASURERS.

While there is no direct relation between the financial transactions of one province and those of another, for the statistical information which it may afford, a consolidated statement of the items entering into the accounts of the various provincial treasurers is given in the following table:

Consolidation of items in the general accounts of provincial treasurers.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
DEBIT.						
Balances on hand July 1, 1904	P1,534,630.73	\$318,378.29	P350,606.48	\$77,774.02	P1,885,237.16	\$396,152.31
Collections:						
Register of property	11,526.64					
Industrial tax	274,837.45	11,147.67	251,644.22	9,777.96		
Cedula tax	243,116.39	38,609.18	223,046.89	84,189.17		
Stamp tax	17,722.10	401.80	16,528.31	892.91		
Cart tax	38,307.00	868.87	38,930.08	868.82		
Land tax	1,169,376.49	44,773.04	1,442,427.57	56,039.58		
Municipal taxes			1,570,112.09	57,269.51		
Miscellaneous	38,730.48	287.18			5,841,906.66	256,585.69
Congressional relief fund:						
Sales of rice	285,388.49	2,951.00				
Payments to provinces	35,705.80					
Miscellaneous	826.01				321,420.30	2,951.00
Internal-revenue refunds, Act No. 1189:						
Cedula	669,966.50		656,622.50			
Municipal licenses			67,065.35			
Refund by settlement warrants	239,955.58		316,795.71		1,950,395.64	
Internal-revenue refunds, Acts Nos. 163 and 311, refund by settlement warrant	82,009.21		1,070.24		83,079.45	
Forestry refunds, Act No. 527	53,338.45		43,259.84		101,598.29	
Customs collections (Moro Province)	263,367.11	554.58			263,367.11	554.58
Payments to provinces from insular treasurer	160,104.27				160,104.27	
Loans to provinces from insular treasurer	180,000.00				180,000.00	
Loans by provinces to municipalities, repaid	21,257.54	1,571.58			21,257.54	1,571.58
Transfers	841,975.76	204,143.01	215,135.12	25,517.12	1,067,110.88	229,660.13
Exchanges and adjustments of currency	2,203,878.46	2,315,075.50	100,429.67	12,687.81	2,304,308.13	2,327,762.31
Total	8,365,520.46	2,938,731.65	5,303,663.97	276,506.40	13,669,184.43	3,215,238.06
CREDIT.						
Expenditures, provincial:						
Salaries and wages	1,503,847.25	6,318.29				
Public buildings	228,200.74	570.80				
Roads and bridges	602,778.47	3,112.73				
Contingent expenses	912,843.77	7,741.04				
Miscellaneous	33,988.62	4,767.92			3,281,156.86	22,510.78
Expenditures, Congressional relief fund:						
Roads and bridges	287,780.60	1,365.31				
Public buildings	109,795.97					
Contingent expenses	4,936.70	550.57				
Miscellaneous	3,938.58				406,351.85	1,915.88
Payments to municipalities			4,690,414.00	141,088.46	4,690,414.00	141,088.46
Repayments of loans to insular treasurer	14,000.00				14,000.00	
Repayments of advance to insular treasurer	3,973.82		1,243.58		5,217.40	
Loans to municipalities	46,200.81	2,000.00			46,200.81	2,000.00
Refunds of excess collections	475.79	1,034.99	1.55	3.96	477.34	1,038.95
Refund to insular government of customs expenditures (Moro Province)	52,009.58				52,009.58	

Consolidation of items in the general accounts of provincial treasurers—Continued.

Item.	Provincial.		Municipal.		Total.	
	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.	Philippine currency.	Mexican currency.
CREDIT—continued.						
Loss, rule 28, Act No. 90....	P242.70	614.98	.....	.....	P242.70	\$614.98
Transfers	837,937.35	\$204,174.05	P219,173.53	\$25,486.08	1,067,110.88	229,660.13
Exchanges and adjustments of currency	1,977,432.08	2,554,677.90	10,688.21	108,716.55	1,988,120.29	2,663,394.45
Balances June 30, 1905:						
Cash balances.....	1,621,728.20	152,173.01	282,254.44	46.71	.....	.....
Credits in suspense—						
Present treasurer...	98,826.32	a 6,064.34	89,691.32	.....	.....	.....
Former treasurer...	80,183.11	5,694.40	10,196.74	1,164.64	2,127,890.73	153,014.42
Total.....	8,365,520.46	2,938,731.65	5,303,663.97	276,506.40	13,669,184.43	3,215,238.06

a Due officer.

THE MONEY-ORDER SYSTEM.**DEPARTMENT OF COMMERCE AND POLICE, BUREAU OF POSTS.**

The money-order system of the Philippine Islands, operated by the bureau of posts, is analogous to that of the United States in all of its details.

Money orders issued in the United States and paid in the Philippine Islands are charged to the United States. Orders issued in the Philippines and paid in the United States are charged to the Philippines. Under this reciprocal arrangement paid orders are respectively transmitted as remittances to the country in which issued.

The only revenue which accrues from the money-order system is the net amount of fees received, after all losses have been deducted therefrom.

An analysis of the money-order statement shows there were balances in the hands of postmasters June 30, 1904, amounting to \$786,104.02, and there was due from former postmasters at that date \$2,615.90, and due to former postmasters the sum of \$36.18. During the fiscal year 84,420 money orders were issued for the aggregate sum of \$3,444,053.48, upon which fees were received amounting to \$14,572.14.

The number of orders paid during the fiscal year was 43,748, aggregating \$1,784,820.54. There was remitted to the United States for credit of the Philippine money-order system, on account of money orders of Philippine issue paid in the United States, the sum of \$1,700,000. There was transferred to postal funds \$15,023.23, and \$5,136.41 was deposited in the insular treasury on account of invalid money orders, for the credit of a permanent appropriation from which money orders remaining unpaid more than one year from the last day of the month of issue are payable.

There were balances in the hands of postmasters on June 30, 1905, aggregating \$739,937.45, which sum includes the balances in the hands of the postmaster at Manila as the designated depository of money-order funds. There was due from former postmasters June 30, 1905, \$2,427.91, while balances due former postmasters that date aggregated \$36.18.

Appended is a tabulated statement of the money-order transactions during the fiscal year at each of the various money-order offices in the islands and a statement of the general account with the United States.

The account is stated entirely in United States currency, all transactions of the money-order system being so expressed.

Statement of the money-order business of the post-offices in the Philippine Islands, fiscal year 1905.

DEBIT.

Post-office	Balance in the hands of postmasters June 30, 1904.	Balance due from former postmasters June 30, 1904.	Number of orders issued.	Amount of orders issued.	Fees.	Deposits received at Manila from postmasters.	Funds received transferred from Manila.	Balance due former postmasters June 30, 1905.	Total.
Angeles	\$24.50		120	\$4,972.78	\$21.68		\$23.66		\$5,042.62
Aparri	767.22	\$1,575.49	1,063	\$7,599.84	243.09				70,185.64
Bacolod	96.41		665	19,976.50	98.24				20,171.15
Bacolod	1.45		29	1,041.59	4.51		72.86		1,120.41
Baguio	600.53		717	18,536.33	96.83		1,990.00		21,222.99
Balanga			178	2,697.26	19.16		252.25		2,968.67
Bangue	55		110	4,224.16	18.63				4,243.34
Batangas	1,826.20		1,939	60,327.82	298.16		383.50		61,942.18
Bayambang	34.87		806	14,814.52	93.12				16,256.01
Bayombong	463.75		266	6,638.21	34.31				7,156.27
Boac	68.41		160	3,481.68	20.21		620.89	\$0.05	4,191.24
Cagayan	661.63	2.03	461	23,011.05	90.88			5.00	23,770.99
Calamba	63.14		546	11,209.14	64.92		606.00	.03	12,943.05
Calapan	176.13	999.83	213	6,101.06	30.13		74.50		6,840.81
Calbayog	4,344.66		1,609	56,070.60	261.07				69,666.33
Camp Joseman	65.08		916	16,689.83	104.41				16,849.32
Camp Marabut	2,189.94		2,066	66,781.96	282.94				58,253.83
Camp Overton	1,414.79		1,452	58,777.63	236.54				56,428.95
Camp Stotsenberg	1,145.32		1,454	22,808.52	157.71				22,611.35
Capiz	464.69		770	23,904.47	114.46				24,483.61
Catagan	42.34		631	20,733.74	85.65				20,871.88
Cavite	2,100.87		3,055	97,023.44	469.32		4,660.00		103,653.58
Cebu	188.21		1,861	67,449.47	273.55				57,886.23
Cervantes	132.54		708	2,841.86	14.55				2,874.68
Corregidor	3.11		773	8,896.18	32.69				9,000.96
Colabato	3,210.71		1,606	92,616.71	346.21				96,463.28
Cuyo	171		1,000	6,638.21	24.26		754.00		7,423.97
Dactar	106.63		886	4,938.40	21.86		330.00		5,295.46
Dagupan	292.06		219	8,443.69	151.83		200.00		8,801.18
Davao			654	21,682.98	97.45		709.41		9,250.55
Dumaguete	8.14		137	2,229.46	96.92				22,073.96
Iba			153	3,717.92	14.00		678.20		4,411.12
Iligan	5,028.96		763	56,959.35	20.00				62,186.00
Iligo	791.09		2,712	92,394.91	137.79				92,602.79
Iloilo	2,489.39		1,872	75,666.79	416.79		1,000.00	30.16	78,508.73
Isaog	48.18		869	28,149.64	322.40				28,828.04
Legaspi	680.59		1,821	58,079.39	130.22				59,038.57
Lingayen	36.02	.25	514	9,895.98	273.34				9,992.90
Los Baños	104.06		825	17,156.67	100.86		170.00		17,831.09

Lucena.....	545.62	1,590	39,056.46	207.47				39,809.55
Malabang.....	7,725.74	2,664	118,150.89	481.98				126,358.56
Malolos.....	35.78	386	8,097.87	47.82				8,180.47
Manila.....	785,488.61	29,614	1,515,489.24	5,897.27	\$1,549,518.82			8,806,892.44
Marikina.....	141.78	848	7,782.18	42.61		2,700.00		10,516.42
Misamis.....							64	64
Nueva Caceres.....	1,301.72	808	84,722.87	142.06				86,166.67
Olongapo.....	117.07	994	26,644.27	136.81		790.00		27,587.65
Ormoc.....	472.45	498	17,067.25	76.70				17,636.40
Romblon.....	208.02	212	8,714.88	28.69				8,946.04
San Fernando, Pampanga.....	44.11	368	10,057.27	50.86		810.00		10,461.74
San Fernando, Union.....	201.31	1,348	41,554.72	198.89				41,954.92
San Isidro, Nueva Ecija.....	135.35	468	12,225.18	68.00		1,751.00		14,174.53
San Jose, Antique.....	90.11	236	5,687.89	30.48		283.00		6,070.98
Santa Cruz, Laguna.....	25.49	319	10,998.88	50.19		187.02		11,251.53
Sorsogon.....	388.57	726	18,052.66	95.76				18,631.99
Surigao.....	99.65	282	7,588.90	37.89		1,500.00		9,226.44
Tacloban.....	8,043.72	1,538	60,521.85	281.20			80	68,854.87
Taclobanan.....	16.26	840	8,652.88	45.37				8,714.46
Tarlac.....	50.91	881	8,282.47	44.11		657.95		9,035.44
Tuguegarao.....	207.47	448	15,162.50	69.16				15,439.13
Twins Peaks.....	732.17	1,914	104,813.02	408.90				106,449.09
Vigan.....	8,555.24	677	21,296.04	100.00		1,400.00		26,291.28
Zamboanga.....	8,382.01	8,545	179,809.67	701.17				188,892.85
Total debit.....	786,104.02	84,490	3,444,088.48	14,572.14	1,549,518.82	21,629.24	86.18	5,818,429.26

Statement of the money-order business of the post-offices in the Philippine Islands, fiscal year 1905—Continued.

CREDIT.

Post-office.	Num-ber of orders paid and repaid.	Amount of orders paid and repaid.	Amount deposited at Manila.	Trans-ferred from Manila to other offices.	Trans-ferred to postal funds.	Credit to postmaster, Manila, for remittances to United States.	Depo-sited in Treasury account of money orders.	Balance due former postmasters June 30, 1904.	Balance due from former postmasters June 30, 1905.	Balance due the Govern-ment June 30, 1905.	Total.
Angéles	34	\$619.28	\$4,360.36						\$62.98	\$5,042.62	
Aparrí	97	8,978.49	62,791.46						2,617.09	70,185.64	
Bacolod	143	8,913.50	16,032.82						224.83	20,171.15	
Bacolor	1	100.00	1,020.41						1,120.41	21,222.99	
Baguio	189	9,309.98	11,449.57						2,968.67	4,248.34	
Bahanga	27	507.69	2,448.02						12.96	61,942.18	
Bangue	10	148.75	3,838.11						261.48	15,206.01	
Batangas	467	10,411.72	51,029.82						500.64	7,156.27	
Bayambang	85	2,273.00	12,931.76						91.25	4,191.24	
Bayombong	20	596.44	5,719.32						850.51	23,770.59	
Boac	26	976.77	3,144.03					30.06	466.87	12,943.06	
Cagayan	78	8,097.94	20,198.75					5.08	218.53	6,390.81	
Calamba	102	3,593.21	8,355.27						56.82	59,666.33	
Calapan	33	1,106.26	5,059.00						274.60	16,949.32	
Calbayog	126	3,534.56	55,857.13						201.08	2,069.63	
Camp Joesman	128	3,354.65	13,293.59						2,485.02	22,611.55	
Camp Marahui	231	9,569.87	46,624.33						1,237.85	556.22	
Camp Overton	398	19,221.53	83,722.41						1,226.24	108,633.63	
Camp Stotsenberg	141	8,783.23	18,792.51						126.99	2,968.25	
Capiz	86	3,530.27	19,685.49						70.12	96,433.23	
Catbalogan	101	2,654.23	17,659.48						2,762.57	5,293.66	
Cavite	687	27,590.12	74,317.27						156.81	85,014.13	
Cebu	1,011	31,190.96	26,219.47						1,235.83	9,250.56	
Cervantes	25	1,191.74	1,669.52						284.77	21,073.96	
Corregidor	46	625.98	5,097.98						63.29	862.04	
Colabato	274	9,132.42	84,568.29						2,678.36	62,186.00	
Cuyo	21	1,166.36	6,816.74						94,602.79	78,506.73	
Dact	27	1,250.35	3,896.60						1,967.57	826.75	
Dagupan	306	10,278.78	24,724.57						809.07	69,063.57	
Davao	65	3,952.97	4,061.75								
Dumaguete	131	7,393.45	14,405.74								
Iba	16	644.86	1,543.60								
Iligan	84	1,214.40	2,894.68								
Iligan	245	8,733.75	50,773.99								
Iloilo	1,424	46,094.09	43,862.12								
Jolo	426	14,938.78	61,952.22								
Laos	160	6,946.68	20,556.61								
Legaspi	281	11,453.82	46,770.43								

Lingayén.....	108	3,182.39	6,741.51	.....	.....	.....	68.00	9,992.90
Los Baños.....	176	3,833.68	13,673.27	.....	.....	.....	24.14	17,531.09
Luzena.....	171	6,183.87	33,006.99	.....	.....	.....	619.69	39,909.56
Malabang.....	348	15,522.65	102,051.20	.....	.....	.....	8,784.71	126,958.56
Malolos.....	51	902.68	7,276.52	.....	.....	.....	1.27	8,180.47
Manila.....	32,288	1,372,088.44	.....	\$21,529.24	\$15,023.23	\$1,700,000.00	692,686.12	3,906,863.44
Maunabo.....	76	4,720.86	5,562.97	.....	.....	.....	332.59	10,616.42
Misamis.....	.....	.....	.....	.....	.....	.....	.....	.....
Nueva Cáceres.....	102	3,373.52	30,615.16	.....	.....	.....	2,177.99	36,166.67
Olongapo.....	206	6,412.92	21,148.06	.....	.....	.....	26.67	27,567.65
Ormae.....	81	2,275.00	15,138.02	.....	.....	.....	223.33	17,636.40
Romblon.....	26	588.36	3,314.64	.....	.....	.....	84.04	3,946.04
San Fernando, Pampanga.....	112	3,285.35	6,971.56	.....	.....	.....	204.83	10,461.74
San Fernando, Unión.....	212	8,568.81	33,310.14	.....	.....	.....	50.97	41,954.92
San Isidro, Nueva Ecija.....	139	6,320.99	8,757.34	.....	.....	.....	96.20	14,174.53
San José, Antique.....	35	1,414.02	4,606.04	.....	.....	.....	50.92	6,070.98
Santa Cruz, Laguna.....	112	1,936.15	8,753.58	.....	.....	.....	571.80	11,261.53
Sorsogon.....	75	1,940.22	16,460.05	.....	.....	.....	131.72	18,631.99
Surigao.....	60	2,808.00	5,966.49	.....	.....	.....	451.96	9,226.44
Tacloban.....	323	14,072.07	48,136.54	.....	.....	.....	1,617.66	63,964.87
Tagbilaran.....	19	313.14	8,067.74	.....	.....	.....	38.80	8,714.46
Tarlac.....	49	1,650.62	7,357.50	.....	.....	.....	333.58	9,035.44
Tuguegarao.....	74	1,944.44	13,884.84	.....	.....	.....	27.32	16,439.13
Twin Peaks.....	286	15,384.15	89,924.38	.....	.....	.....	109.85	105,449.09
Vigan.....	164	6,923.55	19,148.16	.....	.....	.....	140.56	26,291.28
Zamboanga.....	757	31,801.84	148,012.65	.....	.....	.....	219.57	188,892.86
Total credit.....	48,748	1,784,320.54	1,549,518.82	21,529.24	15,023.23	1,700,000.00	4,073.36	5,818,429.28

Recapitulation of money-order business.

Character of item.	Debit.	Credit.
Balance in the hands of postmasters June 30, 1904.....	\$788, 104. 02	.....
Amount due from former postmasters June 30, 1904.....	2, 615. 90	.....
Amount received for money orders issued.....	8, 444, 068. 48	.....
Amount received for fees on money orders issued.....	14, 572. 14	.....
Amount due former postmasters June 30, 1905.....	86. 18	.....
Amount of money orders paid.....	.....	\$1, 784, 820. 54
Amount transferred to postal funds.....	.....	15, 028. 28
Amount remitted to United States Government.....	.....	1, 700, 000. 00
Amount deposited in Treasury on account of invalid money orders.....	.....	5, 136. 41
Amount due former postmasters June 30, 1904.....	.....	86. 18
Amount due from former postmasters June 30, 1905.....	.....	2, 427. 91
Balance in the hands of postmasters June 30, 1905.....	.....	789, 987. 45
Total.....	4, 247, 881. 72	4, 247, 881. 72

General account of the money-order transactions between the Philippine Islands and the United States.

Character of item.	Debit.	Credit.
Balance due United States June 30, 1904.....	\$49, 091. 46	.....
Orders of Philippine issue paid in United States, fiscal year 1905:		
First quarter.....	\$806, 286. 89	.....
Second quarter.....	439, 185. 24	.....
Third quarter.....	864, 098. 56	.....
Fourth quarter.....	386, 820. 34	.....
	1, 794, 888. 58	.....
Orders of United States issue paid in the Philippines, fiscal year 1905:		
First quarter.....	\$82, 196. 79	.....
Second quarter.....	34, 198. 96	.....
Third quarter.....	87, 028. 92	.....
Fourth quarter.....	83, 508. 48	.....
	.....	\$136, 925. 14
Cash remitted to the United States, fiscal year 1905:		
First quarter.....	\$500, 000. 00	.....
Second quarter.....	400, 000. 00	.....
Third quarter.....	396, 000. 00	.....
Fourth quarter.....	405, 000. 00	.....
	.....	1, 700, 000. 00
Balance due United States.....	.....	7, 064. 86
Total.....	1, 848, 979. 99	1, 848, 979. 99

REVISION OF THE ACCOUNTING SYSTEM.

The original accounting system in the Philippines was installed by the Army while actually engaged in military operations. The system was necessarily crude, and intended only to meet temporarily the conditions as they arose. Later it became necessary to adopt and install a stable system. This was authorized in an executive order issued by President McKinley, February 21, 1901, and under it certain rules and regulations were issued by the Secretary of War, all of which were incorporated into a statute of the Philippine Commission and became known as Act No. 90.

The system thus defined was in reality the result of practical experience in Porto Rico and Cuba. It met the conditions in the Philippines most admirably, but no accounting system mapped out 11,000 miles from the scene of its operation could be expected to be perfect in all of its details. Desirable amendments were made from time to time, and a complete revision has now been made as the result of recommendations of the auditor, acting with a committee appointed by the governor-general.

A system of accounting which satisfactorily met unusual conditions in Porto Rico and Cuba, as well as the hard and unusual conditions which prevailed in the Philippine Islands through a period during which two currencies, with a frequently fluctuating ratio, were employed, could not be condemned and cast aside, and it was not with this spirit or purpose that the revision was undertaken. The real purpose was to incorporate into law those things which experience had shown to be desirable and to cast out those which had been found to be unnecessary or undesirable. The act became effective October 20, 1905, but, as to the method of audit, was made retroactive from the beginning of the present fiscal year.

The important changes brought about by the new Philippine accounting act (No. 1402 of the Philippine Commission) are as follows:

(1) The European method of audit is authorized, and under it statistical results may be stated much earlier than under the old method.

Under the European method of treatment the account is audited in all of its elements except as to the vouchers, which are temporarily accepted at their face value. The accounts go to the books on this basis and show immediately two results for disbursement and revenue accounts, respectively, (a) the actual disbursements and (b) the reported collections. The vouchers are then taken up in detail and given the same audit as under the old system, and all items not then allowed are suspended or "charged back" against the officer. If he succeeds in satisfying the demands of the audit so as to remove the charges, the book entries remain the same. If he does not so succeed, the disallowed disbursements are debited to him as refunds of expenditures, and the same net result as under the old system is reached. Collections not taken up are likewise charged in revenue accounts.

(2) All collections subject to refund, such as joint insular and provincial collections, refundable export duties, etc., will be divided before deposit.

In other words, the general revenues from which appropriations are to be made will not be inflated by amounts to be subsequently refunded.

Heretofore the auditor has not been able to state definitely the amount in the treasury actually available for appropriation. This was not due to any fault of the accounting system, but was due to legislation which provided that revenues belonging in part to the insular government and in part to the provinces, or refundable for some other purpose, should be deposited in the treasury without deduction or segregation, it being provided that the refunds should be made at a subsequent date, when all of the facts upon which they are based have been ascertained. There have been many propositions of this kind. The most recent one is the internal-revenue law. This law in its original form provided that all the internal revenue collected throughout the islands should be deposited in the insular treasury without segregation or deduction, and that at the close of each quarter the auditor should refund to each province, pro rata according to population as shown by the last census, 25 per cent of the gross collections.

The amount of refund due any province could not be determined until after the complete settlement of the accounts of each quarter had been made and the distribution determined. This condition has been overcome in sections 79, 80, and 81 of the new accounting act. Under this legislation practically all money deposited in the treasury and subject to refund will be segregated in advance, and the general fund available for appropriation will be stated separately. All future statements as to funds available for appropriation will therefore be net.

(3) The rendition and settlement of accounts by fiscal years has been abolished, and for statistical purposes the date of payment will control. General appropriations are made available until expended.

Heretofore in the Philippines, as now in the United States, accounts have been stated by fiscal years. A payment made has always been charged to the fiscal year in which the obligation was contracted, regardless of the date of payment, even if several years afterwards. This has required a great deal of paper work in separate accounting both to the disbursing officer and to the auditor without accomplishing any real result. Under the fiscal-year system it is possible for a bureau or office to make a large contract or purchase on practically the last day of the year, although it is definitely known that the articles purchased will not be consumed or utilized for months. The old method of charging such articles to the fiscal year in which contracted for is certainly as arbitrary as the new method of making the date of payment control for purposes of making the statistical charge. Where nonexpendable property is purchased to be used during a period of ensuing months or years, it is certainly not essential that such purchase shall be charged to the particular fiscal year in which the contract was made. If the government were doing business like a manufacturing enterprise, for the purpose of making a profit and declaring dividends, it would be desirable to distribute this cost throughout the period in which the articles purchased are expended or consumed, but it is impracticable for the auditor to do this because it is a matter entirely within the knowledge and control of the various bureaus and offices. It was decided, therefore, that it was better that the date of payment should control so far as the statistical statements of expenditures are concerned. A disbursement will appear in the report of the auditor for the year in which the money was actually paid out, regardless of the fiscal year in which the obligation was incurred.

(4) A system of provincial accountability is devised, giving to the provinces a greater degree of autonomy than heretofore enjoyed by them, while at the same time

preserving sufficient safeguards to secure uniformity of treatment of corresponding propositions throughout the provincial service.

Sections 95 to 108, inclusive, of the accounting act provide for a sufficient number of district auditors to examine and settle the accounts of the provincial treasurers, each district auditor to be located in the district to which he is assigned. Each province constitutes, in fact, a separate local government, and to provide for each an auditor for provincial purposes is analogous to providing an auditor for the central government. The work of the district auditors will be supervised and revised as indicated in the sections of the law cited, the insular auditor acting in the capacity of comptroller.

When examining officers and accountable officers are brought into close and constant association the probability of collusion is increased. The history of all accounting proves this. The success of this scheme will, therefore, depend upon the capacity and character of the various district auditors. If they are capable and incorruptible, success will be obtained; otherwise the results may be unsatisfactory.

The district auditors will also make such field examinations and counts of cash of insular officials as may be directed from this office and will become extremely valuable auxiliaries. The corps will give to the auditor an agent in every locality to look into any matter which requires prompt investigation. When it is shown that an insular officer is withholding deposits, "kiting," or is otherwise irregular, which facts are usually clearly disclosed in his accounts, the district auditor will be directed to inspect at once the office concerned and report results. In this way it is hoped to detect defalcations much more easily and quickly than heretofore.

(5) Requisitions will be allowed and warrants issued by the auditor without reference to the governor-general, and likewise postal drafts will be issued by the auditor without the intervention of the director of posts.

Under the old system the approved requisitions and certified settlements were forwarded to the office of the governor-general, where the warrants were drawn. This system operated as a safeguard and made it extremely improbable that anyone would attempt to issue a fraudulent warrant. To place this function solely in the office of the auditor is certainly a compliment to its supposed integrity.

There are many other features in the law which need not be alluded to specifically. The auditor's jurisdiction is materially strengthened throughout. One feature in particular defines embezzlement and the jurisdiction and powers of the courts relative to crimes against the public funds. Every change which has seemed desirable as the result of practical experience here has been included in the act, which is a codification of all previous laws on the subject of accounting. The law, as a whole, is most admirable, and sufficiently elastic to make many future amendments unnecessary.

It is the desire and purpose of the auditor to hammer out of existence as rapidly as possible all unnecessary paper work; but no proposition which involves the safety of the government's funds will be adopted. Proper checks and safeguards will be provided in all cases.

Respectfully,

A. L. LAWSHE,
Auditor.

THE SECRETARY OF WAR.
THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS.
THE PHILIPPINE COMMISSION.

**ANNUAL REPORT OF THE SECRETARY OF PUBLIC
INSTRUCTION FOR THE YEAR ENDING
JUNE 30, 1905.**

REPORT OF THE DEPARTMENT OF PUBLIC INSTRUCTION.

DEPARTMENT OF PUBLIC INSTRUCTION,
Manila, October 15, 1905.

The secretary of public instruction begs leave to submit to the honorable the Philippine Commission the fourth annual report of the work accomplished during the year ending June 30, 1905 (unless otherwise stated), by those bureaus of the insular government under the executive control of the department of public instruction.

BUREAU OF EDUCATION.

ORGANIZATION.

During the fiscal year 1905 there has been little or no change in the school organization, except the creation of the office of deputy general superintendent and the erection of the provinces of Cagayán and Isabela into separate school divisions. Inclusive of the city of Manila and the Moro Province, the islands are now divided into 37 school divisions, in charge of 25 actual, 4 ex officio, and 8 acting division superintendents. With the exception of Benguet, Lepanto-Bontoc, Mindoro, and Palawan (formerly Paragua), each of the provinces and the city of Manila is provided with a provincial school, and no municipality in the islands is unprovided with school facilities of some kind. For the purpose of giving proper supervision to the work of Filipino teachers and to make as much use as possible of the limited force of American teachers, the school divisions have been subdivided into school districts, and to each school district a supervising teacher has been assigned. Four hundred and seventeen of these school districts have been already established, 385 of which are under the supervision of American teachers and 32 of which are in charge of insular native teachers.

TEACHING FORCE.

The American teaching force consists of 792 permanent and 63 temporary appointees. About 250 of the total number of American teachers are on duty at provincial and special schools, 220 are employed in giving instruction in intermediate schools not located at provincial capitals, and 385 are engaged in supervisory work. Under this arrangement practically the entire burden of primary instruction falls upon the Filipino teacher, and the energies of the American teacher are now employed in giving secondary and intermediate instruction and in supervising the work of native teachers.

With the establishment of schools in the various municipal centers and the creation of a corps of Filipino instructors capable of giving primary instruction and able to take charge of classes without constant supervision, it became imperative to extend the sphere of edu-

cational influence to those barrios which by reason of distance were unable to avail themselves of the advantages offered by the central school; so the American teacher became a teacher of teachers, and when his supply of native teachers exceeded the number required for the municipal center he utilized the surplus for the purpose of giving instruction in barrios which had never before been blessed with schools. School districts were formed, and the American teacher in a measure developed into a deputy division superintendent, charged with the duty of establishing barrio schools, supplying them with teachers, and supervising the work not only of the central schools but also that of all schools within his particular jurisdiction.

Of all the duties performed by the American teacher those required of the supervising teacher are the most exacting and trying. His district varies in size from 10 to 200 square miles, and whatever may be the condition of the weather, whatever may be the means of transportation at his disposal, whatever may be the hardships imposed, it is his duty to pay frequent visits to all schools within its limits.

The following table will show the number of teachers appointed each year since the organization of the bureau of education, the number of each year's appointees who have been separated from the service, and the number of each year's appointees who are now in the service:

Number of teachers appointed since the organization of the bureau of education, number of resignations, and number at present in the service.

Year.	Ap- pointed.	Resigned or dis- missed.	Now in the serv- ice.
1900.....	10	6	4
1901.....	1,061	969	92
1902.....	169	97	72
1903.....	217	113	94
1904.....	230	21	269
1905.....	261	0	261
Total.....	1,998	1,206	792

Of the teachers who resigned from the service since 1900 37 have been reinstated, as follows: Ten in 1903, 7 in 1904, and 20 in 1905. Many more teachers who left the bureau of education have applied for reinstatement, but their applications have not been favorably considered.

Slowly but surely the bureau of education is building up a force composed not of transient teachers attracted to the Orient by curiosity, but of steady, reliable teachers who have turned their faces from the Homeland and made up their minds to devote their energies to the solution of educational problems in the Philippines. Year by year the type of teacher employed has improved and to-day it may be said without fear of contradiction that the educational qualifications of the teaching and supervising personnel are higher than those of any previous fiscal year. Out of the 29 division superintendents now actually under appointment and the 792 teachers under permanent appointment 90 are graduates of high schools, 330 are graduates either of normal schools or colleges, 46 have done postgraduate work, and 302 have had some normal school or college training. Of the remaining 53, 19 have only a common school education and 34 received a high school education but did not graduate.

Ever since 1902 a steady improvement in the health of the American teaching force has been noted, due in a large degree no doubt to improvement in living conditions and to a more rigid obedience to the health regulations prescribed for tropical climates. The number of deaths in the American teaching force was 16 in 1902, 14 in 1903, 8 in 1904, and 3 in 1905.

The following table will show the salaries paid, the number of teachers allowed at such salaries, and the number of regular and temporary employees receiving the same on September 1, 1905:

Salary.	Number allowed.	Regular appointees.	Temporary appointees.
\$2,000	3	1	0
1,800	8	4	1
1,600	10	13	0
1,500	50	51	0
1,400	80	70	0
1,300	60	47	0
1,200	350	297	4
1,100	50	88	0
1,000	137	100	4
900	113	121	54
Total..	861	792	63

The total annual salaries allowed amounted to \$1,015,100. The total salaries which became due and payable under actual appointments made amounted to \$986,900, and the average salary paid per annum to teachers was \$1,154.26.

Act No. 1225 permitted the employment of a greater number of teachers than that which was prescribed in the appropriation, provided that the total amount of salaries allowed did not exceed the total appropriation for salaries.

During the school year 1905 there were employed in the bureau of education 4,503 native teachers, 311 of whom were insular teachers and 4,192 municipal teachers. All of these teachers were employed in primary and intermediate schools; none of them are yet sufficiently advanced to be utilized in the secondary schools. By act No. 1225 appropriation was made for 294 native insular teachers at salaries ranging from \$600 to \$120 per year. The following table will show the salaries and number of teachers allowed and the regular and temporary appointments actually made:

Salary.	Number allowed.	Regular appointees.	Temporary appointees.
\$600	14	7	1
540	20	0	0
480	20	18	0
420	20	13	0
360	20	36	0
300	40	53	5
270	0	2	0
240	100	100	20
210	0	1	0
200	0	0	2
180	0	12	40
120	0	1	0
Total..	294	243	68

NOTE.—The foregoing table does not include 16 Ilocanos, at \$120 per year, and 16 Tingulanes, at \$72 per year, whose salaries are paid out of insular funds but who have not had the rank of insular teachers.

The total sum which became due and payable to native teachers under appointments actually made was \$88,690. The average annual salary paid to the 311 teachers was \$285.17, or \$23.76 per month. The average salary paid to municipal teachers is about \$120 per annum, or \$10 per month.

SCHOOLS.

During the school year which has just terminated the bureau of education has devoted a large part of its attention to the building up of primary instruction and its extension to municipal barrios. There are now in the islands 613 organized municipalities, and each of them is supplied with at least one well-equipped school. There are 788 principal municipal schools devoted to primary and intermediate instruction, and 1,866 barrio schools which are limited to primary work. The full number of schools now established in the islands is 2,924, 2,540 of which are primary schools, 114 intermediate schools, 17 secondary schools, 6 technical schools, and 247 night schools. In the school year 1904 there were 2,233 primary schools, 12 intermediate schools, 38 provincial schools doing intermediate work, 3 technical schools, and 460 night schools, making a grand total of 2,746 schools. During the school year 1905, 307 additional primary schools were established, 64 intermediate schools, 17 secondary schools, 3 technical schools, and there was a reduction of 213 in the number of night schools. The reduction in the number of night schools was brought about by the exigent demands for additional day schools and the impossibility of meeting these demands unless the number of night schools was reduced.

ENROLLMENT AND ATTENDANCE.

On July 31, 1904, one month after the opening of the school year 1905, there were enrolled in the public schools 251,475 students. At the end of November, 1904, this number had increased to 357,807, and the schools closed in March, 1905, with a total enrollment of 514,631. This enormous increase in enrollment taxed the bureau of education beyond its powers, and it became evident that with the number of American and native teachers available it was practically impossible to give proper instruction to any such number of students. In consequence, at the opening of the present school year (1906) division superintendents were instructed to limit the enrollment, as far as possible, to one-third of the school population of their respective divisions. The enrollment by grades in November, 1904, was as follows:

In the primary course 345,018 students, of which number 240,238 were in the first grade, 75,087 in the second grade, and 29,693 in the third grade. In the intermediate course there were enrolled 12,244, of which number 7,706 were enrolled in the fourth grade, 2,973 in the fifth grade, and 1,565 in the sixth grade. In the secondary course there were enrolled 545 students, of which number 424 were assigned to the seventh grade and 121 to the eighth grade.

For the fiscal year 1905 the total enrollment for all schools was 514,631 and the average attendance was 311,843.

SCHOOL BUILDINGS.

The schools are housed in 3,034 school buildings, 324 of which are furnished rent free, 287 are leased, and 2,423 are owned by the government. Of the number owned by the government, 726 were constructed in Spanish times and 1,697 were built since American occupation. In the report for the fiscal year 1904 it was stated that the number of school buildings constructed in Spanish times was 534. The restoration and putting into condition of dilapidated Spanish school buildings and the report of newly discovered buildings erected during the Spanish dominion for school purposes accounts for the difference. Of the number built since American occupation, 479 were constructed in 1903, 754 in 1904, and 464 in 1905. Of the buildings owned by the government, 1,382 have suale walls and nipa or grass roofs and may be called temporary; 235 have wooden walls with nipa roofs; 37 have wooden walls and iron or tile roofs; 34 have stone walls with nipa roofs, and 9 have stone walls with iron or tile roofs. Many of the buildings with suale walls and nipa or grass roofs have stout, substantial frames, and from time to time, as the financial condition of municipalities and provinces improves, such buildings will be made permanent by the introduction of wooden or stone walls and iron or tile roofs. Two of the buildings erected in 1905 were constructed out of the sum of ₱350,000 appropriated by act No. 1275 from Congressional relief funds for the construction of school buildings. The building fund created by act No. 1275 has been apportioned among 32 of the Christian provinces, and each province, by itself or through its municipalities, has been required to donate a certain amount of money, labor, or materials and a suitable site for the buildings to be constructed out of the Congressional relief fund.

The following table will show the apportionment to the provinces, local funds to be contributed, purpose of the school to be erected, and the municipality in which it is to be located:

Proposed apportionment of ₱350,000 appropriated by Commission from government relief fund for construction of school buildings.

Province.	Appor- tion- ment.	Local funds.	Purpose of building.	Location.
Albay	₱8,000	₱30,000	Secondary and trade	Albay.
Sorsogón	12,000	22,000	Secondary	Sorsogón.
Bohol	10,000	170,000	do	Tagbilaran.
Capayán	8,000	4,000	Trade school	Tuguegarao.
Bulacán	8,000	22,000	Secondary	Malolos.
Cápiz	8,000	4,000	Trade school	Cápiz.
Cebú	32,000	19,000	Trade, intermediate, and second- ary	Cebú.
Cavite	9,888	1,000	Intermediate	Indang.
Ilocos Sur	8,000	4,000	Trade school	Vigan.
Iloilo	32,000	19,000	Trade, intermediate, and second- ary	Iloilo.
Antique	6,000	3,000	Secondary	San José de Bue- na Vista.

Proposed apportionment of ₱350,000 appropriated by Commission from government relief fund for construction of school buildings—Continued.

Province.	Appor- tion- ment.	Local funds.	Purpose of building.	Location.
Laguna	₱10,000	₱10,000	Secondary	Pagsanjan.
Unión	12,000	20,000	do	San Fernando.
Leyte	1,000	2,000	Trade school	Tacloban.
Masbate	8,000	4,000	Secondary	Masbate.
Misamis	8,000	4,000	Intermediate	Cagayan.
Nueva Ecija	8,000	2,000	Secondary and trade	Cuyapo.
Occidental Negros	8,000	4,000	Trade school	Bacolod.
Oriental Negros	8,000	20,000	Secondary and trade	Dumaguete.
Pampanga	12,000	15,500	do	Bacolor and San Fernando.
Bataan	6,000	5,000	Intermediate	Balanga.
Pangasinan	8,000	4,000	Trade school	Lingayen.
Rizal	9,990	7,500	Intermediate and trade	Pasig, Morong, and Malabón.
Romblón	8,000	18,500	Secondary	Romblón.
Surigao	16,000	11,000	do	Surigao.
Tarlac	10,000	8,000	Trade and intermediate	Tarlac and Camiling.
Tayabas	12,000	4,000	Secondary	Lucena.
Zambales	1,000	4,700	Intermediate	Iba.
Benguet	6,000	.....	Industrial	Baguio.
Mindoro	5,000	.....	Trade school	Calapan.
Paragua	4,000	8,000	Intermediate	Palawan.
Isla de	10,000	8,500	do	Iligan.
Total	380,248	295,700		

Balance, ₱19,752, unassigned.

Large contributions of labor and materials not included in local fund. Ample sites are in every case provided without expense to the insular government.

SCHOOL FINANCES.

The appropriation for schools for the fiscal year 1905 was ₱2,417,450, or \$1,208,725. In addition to this sum, as has been already stated, the Commission appropriated the sum of ₱350,000, or \$175,000, out of the Congressional relief fund for the construction of provincial and intermediate schools, and ₱60,000, or \$30,000, out of the bond issue for the erection of insular schools in the city of Manila. For the fiscal year 1906 the appropriation for educational purposes should not be less than ₱3,500,000, or \$1,750,000. Such an appropriation would enable the bureau of education to employ 100 additional American teachers and 200 additional native insular teachers. This addition to the teaching force would permit the bureau of education to increase the number of school districts, and by reducing the area to be supervised would not only make it possible to give more frequent supervision to the barrio schools now established, but would enable supervising teachers to create schools in those barrios which as yet have received no attention. The increase in the appropriation of the sum just mentioned will, moreover, enable the bureau of education to furnish proper equipment, tools, and machinery for trade and agricultural schools.

Of the ₱2,417,450 appropriated for the bureau of education from the insular treasury, ₱2,200,000 was made available for salaries and wages and ₱217,450 for contingent expenses. The total actual expenditures for the fiscal year were, for salaries and wages,

₱2,185,444.04, and for contingent expenses, ₱217,289.42, leaving a balance to the credit of the appropriation for the fiscal year of ₱14,555.96 for salaries and wages and ₱160.58 for contingent expenses, a total of ₱14,716.54.

As a rule provincial governments have not strained themselves in aiding public instruction. The total amount expended by provinces from provincial funds for public schools amounted to ₱78,918.40, an average of ₱1,972.96 for each province, or a little more than \$75 gold per month. When it is considered that the provincial governments expended during the fiscal year 1905, ₱2,869,722.45 for purposes other than schools, and that the provincial schools alone cost the insular government ₱500,000 for teachers' salaries and ₱40,000 for equipment, it is manifest that as a rule provincial governments have not distinguished themselves by their interest in public instruction. It must be understood, however, that this criticism does not apply to all provincial governments. Some of them have manifested the greatest interest in what is sought to be accomplished by the bureau of education, and have gone to the very limit of their means to aid and assist educational work. The attitude of municipal governments toward the public schools forms a marked contrast to that shown by the majority of provincial governments. During the fiscal year 1905 the municipalities in the islands contributed ₱1,797,547.67 toward the public schools, which sum was supplied from the following sources:

Land tax for schools.....	₱960, 269. 65
Appropriations from general funds.....	451, 438. 79
Loaned to schools from general funds.....	15, 106. 58
Internal revenue set apart to municipalities for schools.....	114, 193. 23
Receipts from other sources, including balance on hand July 1, 1904	256, 539. 42
Total	1, 797, 547. 67

This statement shows to a demonstration how vital is the land tax to the support of the public schools. Out of the whole sum of ₱1,797,547.67 over ₱1,400,000 was derived from the land tax. It may be said without hesitation that on the land tax the whole system of primary instruction depends. Without it buildings for primary instruction must stop; without it even the humblest school furniture is an impossibility; without it the present force of 4,500 municipal teachers engaged in the work of primary instruction must be reduced to 1,500; without it the 357,000 students in the primary and intermediate grades must be reduced to 150,000; in a word, without it the plan of giving, in the course of ten years, primary instruction to the entire school population of 1,200,000, fails most miserably. As the beneficent policy of the United States with reference to the people of these islands hinges in its last analysis on the education of the people, it would seem that everything which detrimentally affects the public schools or which is likely to injure or cripple them should be avoided as far as possible. It is understood that it is the purpose of the Commission to make good to municipalities out of insular funds all revenues lost by such municipalities by reason of the suspension of the land tax. This is beneficent and wise so far as it goes, but unfortunately it does not go far enough, for the reason that any such arrangement stops the march of progress just where it is to-day and

leaves public instruction without hope of any higher development than that which at present exists. Moreover, in the judgment of the undersigned it is a mistake to relieve local communities of all responsibility for the instruction of their children. Such a course will kill local pride and diminish that interest in education which the people would otherwise have if schools owed their existence in some measure to local intervention and self-denial. With the development of the country, improved methods in agriculture, the advance in value of the rich lands of the archipelago, the settlement of titles, and the cultivation of a healthy sentiment in favor of making sacrifices for public instruction, it is no idle dream for the bureau of education to expect that instead of a million, ten million pesos might be realized for schools in the near future from the land tax.

It is true that the insular government now makes liberal contributions for public instruction, and is unquestionably willing to restore to municipalities the income which may be lost by reason of a suspension of the land tax, but it is extremely doubtful whether the government will be willing to make good to municipalities the reasonable increase of revenue which might be expected in the future from the land tax.

It is said that this is a mere suspension of the land tax. In the humble opinion of the undersigned the suspension of the land tax means its abolition. If the tax is suspended without fixing a period of suspension it will require the concurrence of the two houses of the legislature to put the land tax in operation again, and it will be demanding a little too much of human nature to expect that the lower house, which of necessity will be composed almost entirely of land-owners, will look with favor on any measure which will impose on them a new burden of expense. Even if the law suspending the tax is so framed as to make the law self-operating at the end of a fixed period, the trouble which must arise in the reimposition of the tax will in all probability render it impolitic to give rise to a renewal of bitter agitation on the subject. Manila is a shining example of what may be expected from a temporary suspension of the land tax. About three years ago the rate of taxation was lowered in Manila for one year. The tax has never been raised to the original rate and never will be, in my opinion.

In time, of course, there will be an educated class who do not own real property who will be entitled to vote and who will insist that landed proprietors should bear their fair share of the burdens of the government, but the development of this class depends on the progress made by education, and education crippled by lack of funds can not hope to create for many years to come a public sentiment that will be strong enough to compel legislation favorable to the imposition of additional taxes.

Besides the support given by municipalities out of revenues derived from taxation, the people themselves have voluntarily donated money, land, material, and labor, amounting to ₱232,988.33. The donations made by the people of the various provinces is shown by the following table:

Donations for school purposes.

Division.	Money.	Land.	Material.	Labor.	Total.
Manila			(a)	₱15,680.00	₱15,680.00
Albay and Sorsogón	₱22,000.00		₱75.00	55.00	₱22,130.00
Ambos Camarines	1,994.00	₱50.00	45.00	45.00	₱2,034.00
Batangas	100.00		(a)	14,815.20	14,915.20
Bohol	713.50	1,000.00	1,500.00	1,000.00	₱4,213.50
Bulacán		280.00	4,250.00	4,050.00	₱8,580.00
Cagayan				808.00	808.00
Isabela				3,000.00	3,000.00
Cápiz	8,500.00	2,000.00	4,000.00	800.00	₱15,300.00
Cavite	500.00	1,200.00	800.00	800.00	₱3,300.00
Cebu		250.00	1,250.00	800.00	₱2,300.00
Ilocos Norte				100.00	100.00
Ilocos Sur and Abra.	3,089.00			875.00	₱3,964.00
Iloilo and Antique		2,000.00	2,500.00	2,683.00	₱7,183.00
La Laguna					
La Unión	1,200.00		600.00	1,800.00	₱3,600.00
Leyte	4,070.00		2,450.00	5,085.00	₱11,605.00
Masbate	1,180.00	500.00	810.65		₱1,990.65
Samar	500.00			7,000.00	₱7,500.00
Nueva Ecija			2,500.00	3,675.00	₱6,175.00
Nueva Vizcaya					
Occidental Negros	520.00	1,800.00	1,800.00	360.00	₱4,480.00
Oriental Negros					
Pampanga and Bataan	2,453.60	4,780.00	1,486.00	805.00	₱9,524.60
Pangasinán		5,800.00	5,950.00	10,000.00	₱21,550.00
Rizal	1,000.00	1,800.00		1,000.00	₱3,800.00
Romblón		8,000.00	10,000.00	4,500.00	₱22,500.00
Surigao	6,089.09	258.00		2,000.00	₱8,347.09
Tarlac	1,565.00	550.00	2,710.00	6,485.00	₱11,290.00
Tayabas			1,500.00	13,000.00	₱14,500.00
Zambales	1,135.74	70.00	657.75	1,159.80	₱3,023.29
Mindoro					
Benguet					
Lepanto-Bontoc			300.00	200.00	₱500.00
Palawan		500.00	300.00		₱800.00
Misamis		880.00	2,664.00	3,071.00	₱6,015.00
Moro					
Total	51,559.93	30,168.00	47,428.40	108,832.00	₱232,988.33

^a Included in labor.

The school funds received by the municipalities of the various provinces from internal revenue, land tax for school purposes, appropriations from the general fund, loans from the general fund, and receipts from other sources, except donations, are shown by the following table:

Report of school finances for the fiscal year July 1, 1904, to June 30, 1905.

RECEIPTS.

Division.	Internal revenue.	One-fourth of 1 per cent land tax.	Appropriated from general fund.	Loaned from general fund.	Receipts from other sources.	Total receipts.
Manila			₱308,270.00			₱308,270.00
Albay and Sorsogón	₱815.86	₱64,336.00	1,432.32	₱121.26	₱184.50	₱66,389.94
Ambos Camarines ^a	3,000.00	35,485.88	2,000.00		2,000.00	₱42,485.88
Batangas	1,226.71	29,669.78	9,157.22		1,094.39	₱41,148.10
Bohol	3,821.59	5,646.94	2,430.90	1,135.70	42.09	₱13,077.22
Bulacán	3,365.68	70,971.66	2,000.00		2,500.00	₱78,837.34

^a Estimates. Division superintendent failed to submit necessary table.

Report of school finances for the fiscal year July 1, 1904, to June 30, 1905—
Continued.

RECEIPTS—Continued.

Division.	Internal revenue.	One-fourth of 1 per cent land tax.	Appropriated from general fund.	Loaned from general fund.	Receipts from other sources.	Total receipts.
Cagayan		P22,665.80	P8,748.88		P26,475.96	P57,885.64
Isabela	P429.79	13,416.62			12,777.43	26,623.84
Cápiz	1,163.60	11,840.19			4,254.00	17,257.79
Cavite	799.48	23,404.72			8,322.22	32,526.42
Cebu	32,234.09	41,053.66	7,558.48		8,181.81	89,078.04
Ilocos Norte	1,857.21	13,701.27	2,628.36	P15.58	16,807.28	34,599.69
Ilocos Sur and Abra	3,352.66	37,290.59	39,049.15		7.65	79,700.05
Iloilo and Antique	4,372.84	47,313.23	6,126.18		14,648.11	73,210.36
La Laguna		66,264.80	30.00	2,327.11	21,097.83	89,719.24
La Unión		20,187.24		1,500.00	1,331.92	23,019.16
Leyte	2,356.31	25,970.86	4,602.00		4,758.98	37,688.15
Masbate		7,733.40	42.58	59.60	232.80	8,168.38
Samar	4,008.21	13,583.46	1,000.00		1,100.00	19,691.67
Misamis	707.30	15,011.29	6,738.76			22,457.35
Nueva Ecija	2,014.34	31,181.80			11,971.90	45,168.04
Nueva Vizcaya			5,144.00			5,144.00
Occidental Negros	4,638.96	29,437.50	180.00			34,246.46
Oriental Negros		9,908.81		2,165.13	3,868.71	15,932.65
Pampanga and Bataan	1,327.26	32,276.26	5,518.06	1,432.01	13,324.64	103,873.23
Pangasinan		53,576.14	8,933.09		36,853.72	99,363.95
Rizal	2,266.88	31,871.13	20,055.85		24,086.96	78,280.82
Romblón	217.35	4,335.25	3,511.85			8,114.45
Surigao		7,394.39	1,407.02	75.98	8,832.79	17,580.18
Tarlac	901.42	18,120.32		901.83	12,219.14	32,043.31
Tayabas	51.17	73,075.31	2,362.36	4,622.43	18,802.01	93,913.28
Zambales	898.89	7,084.28	477.46		702.58	9,113.21
Mindoro	610.16	14,219.97				14,830.13
Benguet						
Lepanto-Bontoc			2,039.28			2,039.28
Palawan						
Moro	38,736.00	32,321.00				71,107.00
Manila Normal						
Manila Trade						
Manila Nautical						
Total	114,193.23	980,299.65	451,438.79	15,106.58	253,539.42	1,797,547.67

* Supported by insular funds.

The municipalities of the islands actually expended out of school funds:

For construction and repairs to school buildings	P180,365.96
For the rental of school buildings	31,440.85
For salaries of municipal teachers	922,227.75
For the purchase, construction, and repair of school furniture	44,272.41
For transportation	2,393.21
For miscellaneous expenses	119,172.22

Total actually expended	1,299,872.40
Leaving a balance in the municipal treasuries of	497,675.27
Charged, of course, with all the liabilities accrued and not paid.	

The following table will show by provinces the expenses actually paid by municipalities:

Report of school finances for the fiscal year July 1, 1904, to June 30, 1905.

EXPENDITURES.

Division.	Construction and repairs to school buildings.	Rental of school buildings.	Salaries of teachers.	Purchase, construction, or repair of school furniture.
Manila.....			₱289,980.26	₱3,148.89
Albay and Sorsogón.....	₱9,388.42		38,641.75	1,067.97
Ambos Camarines ^b	2,000.00	₱2,000.00	20,500.00	1,500.00
Batangas.....	2,822.62	1,886.20	25,984.28	760.84
Bohol.....	548.32		7,101.76	130.59
Bulacán ^b	4,133.50	4,500.00	29,500.51	3,000.00
Caḡayan.....	4,580.72	489.13	20,117.61	1,328.48
Isabela.....	1,508.75	551.35	1,169.28	36.50
Cápiz.....	1,735.94	385.25	8,043.68	179.11
Cavite.....	1,325.61	998.15	21,351.17	1,598.45
Cebu.....	23,218.19	5,825.00	36,684.07	7,292.39
Ilocos Norte.....	8,873.58	102.70	16,231.54	1,010.94
Ilocos Sur and Abra.....	24,559.58	1,343.83	30,584.26	1,215.50
Iloilo and Antique.....	9,296.81	1,986.06	36,878.70	1,786.99
La Laguna.....	1,158.32	1,990.49	44,080.36	4,945.56
La Unión.....		518.32	16,431.22	697.63
Leyte.....			21,974.57	
Masbate.....	388.35	8.00	4,145.90	104.58
Samar.....	5,120.00		8,427.50	2,000.00
Misamis.....	1,180.21		10,067.51	264.00
Nueva Ecija.....	12,172.67	512.73	11,649.94	1,362.51
Nueva Viscaya.....	625.00	20.00	4,499.00	
Occidental Negros.....	1,613.00		26,262.52	310.00
Oriental Negros.....	2,086.75	182.33	11,720.36	32.50
Pampanga and Bataán.....	5,701.97	763.95	39,225.74	1,063.30
Pangasinán.....	11,215.00	1,904.18	32,195.57	4,863.56
Rizal.....	6,906.78	3,362.29	35,614.26	2,222.55
Romblón.....	794.51		5,679.48	
Surigao.....	3,577.78	32.00	4,631.48	9.37
Tárlac.....	2,778.30	32.22	14,501.47	749.72
Tayabas.....	30,233.77	1,480.17	33,498.91	1,206.70
Zambales.....	1,370.00		6,903.19	113.20
Mindoro.....	4,302.12		6,742.82	237.60
Benguet ^c				
Lepanto-Bontoc.....	459.30		1,417.18	
Palawan.....				
Moro.....				
Manila Normal ^d				
Manila Nautical ^d				
Manila Trade ^d				
Total.....	180,365.96	31,440.85	922,227.75	44,272.41

^a Including payment of office force and night-school teachers.

^b Estimates. Division superintendents failed to submit necessary tables.

^c No municipal expenditures.

^d Supported by insular funds.

Report of school finances for the fiscal year July 1, 1904, to June 30, 1905--Con.

EXPENDITURES—Continued.

Division.	Transportation.	Miscellaneous.	Total expenses.	Balance in treasury.
Manila.....		P4,477.18	P297,616.28	P10,653.72
Albay and Sorsogon.....		6,584.78	55,677.90	10,662.04
Ambos Camarines ^a	P200.00	500.00	26,700.00	15,735.83
Batangas.....	11.00	369.52	31,784.41	9,363.69
Bohol.....	70.05	114.17	7,964.89	5,112.38
Bulacan ^a	200.00	1,000.00	42,334.01	36,533.38
Cagayan.....	118.35	621.70	27,255.97	30,622.67
Isabela.....	84.10	28.95	3,373.88	23,249.95
Capiz.....	108.50	410.55	10,893.08	6,394.75
Cavite.....	13.30	846.82	26,022.50	6,497.92
Cebu.....	574.18	887.91	74,461.74	14,616.30
Ilocos Norte.....	90.14	273.19	21,532.09	13,017.60
Ilocos Sur and Abra.....	27.00	237.37	57,997.54	21,702.51
Iloilo and Antique.....	167.66	727.57	50,843.79	22,363.57
La Laguna.....	219.64	959.56	53,354.98	36,364.31
La Union.....		1,212.65	18,990.32	4,158.84
Leyte.....		6,441.59	28,416.16	9,271.99
Masbate.....	11.00	214.36	4,872.19	3,296.19
Samar.....			15,547.50	4,144.17
Misamis.....		1,377.53	12,859.25	9,595.10
Nueva Ecija.....	186.17	52.78	25,896.30	19,231.24
Nueva Viscaya.....			5,144.00	
Occidental Negros.....		1,252.00	29,437.52	4,806.96
Oriental Negros.....	28.05	1.84	14,051.88	1,880.82
Pampanga and Bataan.....		2,070.85	43,855.81	55,022.42
Pangasinan.....			50,178.31	49,134.64
Rizal.....	119.35	682.75	49,178.96	29,051.34
Romblon.....		142.40	6,616.39	1,496.06
Surigao.....		1,239.54	9,490.17	8,069.96
Tarlac.....	144.32	448.76	18,655.39	13,337.32
Tayabas.....	58.00	13,887.52	30,367.07	18,546.21
Zambales.....		205.98	8,562.46	570.75
Mindoro.....		594.47	11,877.01	2,953.12
Benguet ^b				
Lepanto-Bontoc.....	11.30	151.00	2,069.23	
Palawan.....				
Moro.....		71,107.00	71,107.00	
Manila Normal ^c				
Manila Nautical ^c				
Manila Trade ^c				
Total.....	2,366.21	119,172.23	1,299,872.40	497,675.27

^a Estimates. Division superintendents failed to submit necessary tables.

^b No municipal expenditures.

^c Supported by insular funds.

For further and more specific information as to the efficient and satisfactory work of the bureau of education and the results accomplished by the various schools established in the archipelago, reference is made to the very complete and interesting report of the general superintendent, which, with its exhibits, is hereby annexed, marked "Exhibit A."

BUREAU OF ARCHITECTURE AND CONSTRUCTION OF PUBLIC BUILDINGS.

CHARACTER OF WORK DURING THE YEAR.

No new work has been undertaken by the bureau of architecture and construction of public buildings during the past year, except the construction of the quarantine station at Caut Island, Cebu, the building of coal sheds for the insular purchasing agent at Romblon, Iloilo, and Cebu, and the making of additions and various improvements to the sanitarium at Baguio, Benguet. The activities of the

bureau have been fully employed, however, in the reconstruction, alteration, renovation, and repair of the many buildings occupied by the government bureaus and offices in Manila. The foundations and first stories of these buildings, constructed in most cases of stone or of rubble and cement, are strong, durable, and require little attention. The superstructure, however, is of wood, and the sun and the rain, the heat and the humidity, play such sad havoc with it that painting and frequent repairs are necessary for its preservation. During the last year roofs and exposed portions of the framework of many office buildings had so deteriorated that much of the time of the bureau was spent in repairs, putting in new material, and rendering the buildings fit for occupancy. Much labor was also expended on the interiors of buildings, notably so on the interior of the ayuntamiento, which had been neglected ever since American occupation.

SKILLED AND UNSKILLED LABOR EMPLOYED.

In the work of finishing buildings in course of construction and in the repair and improvement of government buildings the bureau has employed an average of 346 skilled and unskilled laborers per month. Among the skilled laborers were blacksmiths, masons, carpenters, cabinetmakers, glaziers, painters, decorators, sculptors and modelers, plumbers, pipe fitters, tinsmiths and roofers, telephone bell and electric-light men, seamstresses, divers, and steam engineers.

PERMANENT PERSONNEL.

The authorized office personnel of the bureau is about the same as for the year 1905. The positions of mechanical engineer and superintendent of construction were not filled during the greater part of the fiscal year just ended. Ordinarily these are very necessary positions in a bureau of this kind, but as little new work was undertaken during the year the vacancies did not seriously affect the efficiency of the bureau.

A further reduction in the salary list of the office force was effected during the latter part of the year by the consolidation of the positions of property clerk and bookkeeper.

The actual clerical force of the office is small considering the correspondence carried on by the bureau, the plans and specifications to be prepared, the records to be kept of the progress of work, the large amount of property received and expended, and the number of per diem laborers employed and discharged. The employees of this office, in common with other offices of the service, performed considerable overtime work during the year. It is expected, however, that the proposed reorganization, by reducing paper work and simplifying administrative methods, will relieve this condition during the fiscal year 1906.

THE MORE IMPORTANT OPERATIONS.

Among the more important operations of the bureau during the year may be mentioned the following:

The renovation of the interior of the Ayuntamiento Building, including the fitting up and redecorating of the Marble Hall in which

the public sessions of the Commission are held; the construction of shelves and book racks for approximately 20,000 volumes in the corridors surrounding the Marble Hall; the construction of shelving for records in the records division of the executive bureau; the repainting and decorating of the main foyer and the second-story corridors and offices. During the progress of the work it was found that the heavy hardwood floor beams of the second story had been seriously weakened by dry rot at their bearings on the exterior wall of the building, and strong crossbeams, sustained by stout wooden posts, were introduced to give proper support to the floors resting on the affected timbers. A careful examination of the building discloses that the exterior walls of the second story are badly deteriorated, and it is the opinion of the bureau of architecture that the entire framework superstructure should be reconstructed of strong and durable materials as soon as practicable.

The Postigo Building has been renovated and fitted up as a storage place for the records of the supreme court.

The demand for accommodations at the civil sanitarium, Baguio, Benguet, during the year 1904 made it imperative on the Commission to provide additional facilities, and at the beginning of the present year an extension was completed which furnished to the sanitarium an increased capacity of 24 large bedrooms, capable of lodging comfortably not less than 40 additional guests. Bath and extra toilet facilities have been provided for wards and private rooms, a water-supply system installed, and box sewers to carry off waste and surface water constructed. Besides the addition to the sanitarium, 2 new school buildings for the bureau of education and a new 20-stall stable for the constabulary have been constructed at Baguio. The rubberoid used as roofing on the sanitarium and cottages proved to be a complete failure, and to preserve the buildings and keep out the rain, it was found necessary to lay over the rubberoid flat galvanized iron with a standing seam. On the constabulary and servants' quarters and on the school and commissary buildings, Benguet pine shingle roofs have been placed by way of experiment.

The workshops of the bureau of prisons have been completed, and all machinery provided has been properly installed.

The machine shop and warehouses for the bureau of coast guard and transportation have been finished, and the water supply for this bureau commenced last year has been extended to the marine railway and various outbuildings. The pipe line is so arranged that in case of fire sea water can be pumped through it from the adjoining canal.

The new quarantine station has been practically completed on Caut Island, port of Cebu. This station includes a building for first-class passengers, a building for second-class passengers, officers' quarters, bath house, disinfecting building, attendants' quarters, windmill, dock and gangway, three small isolated buildings for infected persons, and fenced inclosure for tents in case the buildings are at any time inadequate to accommodate all the persons received. On this date, October 15, 1905, there remains to be constructed and put in place a windmill, and a windmill tower and tank. These facilities will not be furnished, however, until the proposed artesian well has been sunk and a sufficient supply of water secured.

The attendants' quarters at the civil hospital, Manila, have been reconstructed and fitted up as a maternity hospital.

A heavy wrought-iron fence erected by the bureau now incloses the custom-house premises, covered platforms have been built around the inner court, and a number of concrete foundations provided for the heavy platform scales. The telephone service of the custom-house has been improved and many improvements installed to give protection from fire. The coast guard water-supply system has been extended to the custom-house quarantine detention station. A small three-room building has been erected on Corregidor Island for the quarters of the signalmen and the timbers of the building have been carried to a height sufficient to form an observation tower.

The coal shed built for the insular purchasing agent at Rombón has a capacity of 1,500 tons; each of the sheds constructed at Iloilo and Cebú has a capacity of 2,500 tons.

The stable in rear of the Oriente Building has been entirely roofed over and turned into a bodega.

The old roof on the Intendencia Building has been removed, the roof timbers strengthened, and a new roof placed on the building. In addition, alterations and repairs were made in the interior of the building for the treasury bureau and the bureau of public lands.

The roof and roof supports of Malacañan Palace became so greatly impaired during the year that it was necessary to strip off the old roofing, strengthen or renew the roof supports, and to put on a new roof of corrugated galvanized iron. Other repairs were made to the building and the interior renovated and redecorated.

All the school buildings on the exposition grounds have been painted and necessary repairs and alterations made to the interiors.

The Santa Potenciana Building has been repainted and decorated and additional electric lights and fixtures installed therein.

The transfer of the electrotype and stereotype divisions of the bureau of public printing from the second to the first floor of the printing plant necessitated certain reconstruction work and alterations, which were completed in due time to the satisfaction of the public printer.

The Cuartel Fortín Building, occupied by the post-office and civil supply store, has been fitted up with electric lights and fans, and along the westerly side of the building a media agua has been constructed.

A laundry for the leper department, toilet facilities for American employees, a complete and satisfactory water-supply system, accommodations for insane persons, and a stable for native ponies have been provided for San Lázaro Hospital. The easterly and southerly exterior faces of the hospital building have been repainted, and considerable grading and filling has been done on the hospital premises. The Morgue Building has been provided with proper facilities, and the building on Calle Alejandro VI, rented by the government as an annex to San Lázaro Hospital, has been repaired and fitted up for hospital purposes.

Although the new laboratory building was practically completed at the time of the last report of this department, the building was not formally transferred to the bureau of government laboratories until March 7, 1905. This delay was due in large part to the installation

and testing of the extensive machinery equipment by native labor unacquainted with work of this kind. The installations made in this building include boilers, engines, generators, feed-water heater, donkey and feed pumps, air compressor, refrigerating plant, exhaust ventilation system, gas-generating apparatus, crematory for the disposition of animal remains and laboratory refuse, motors, rheostats, shakers, distilling apparatus, complete electric switch board and distributing panels, a "Gamewell" auxiliary fire-alarm service, and an electric furnace for the reduction of refractory ores.

Exclusive of the work hereinbefore mentioned, the bureau has undertaken and completed nearly 400 jobs during the year, consisting mostly of small repairs on the various buildings owned and rented by the government.

EXTRA PLANS AND SPECIFICATIONS PREPARED.

In addition to the actual construction and repair work executed during the year, many drawings, blueprints, specifications, and bills of materials have been prepared for the insular, provincial, and municipal governments, including plans and specifications for primary and secondary school buildings in the various provinces and municipalities, provincial jails for Ilocos Norte and Tayabas, market and slaughterhouse for Tayabas, a municipal building for Bayombong, Nueva Vizcaya, a provincial building for the Moro Province, a refuse plant for the agricultural college at La Carlota, buildings for the proposed general hospital, railway stations for the proposed Iloilo, Cápiz and Batán Railroad, and for many other minor buildings for the insular, provincial, and municipal governments.

FINANCIAL STATEMENT.

The following is a statement of the funds handled by the bureau of architecture during the fiscal year 1905, showing total appropriations for the fiscal year 1905, including balance on hand July 1, 1904, from appropriations for previous fiscal year, and total expenditures made:

SALARIES AND WAGES.

Amount of appropriation for salaries and wages.....	₱57,000.00
Amount disbursed for salaries and wages.....	53,663.72
Balance on June 30, 1905.....	3,336.28

CONTINGENT EXPENSES.

Amount of appropriation for contingent expenses.....	₱7,138.00
Amount expended for contingencies.....	5,486.32
Balance on June 30, 1905.....	1,651.68

PUBLIC WORKS.

Balance of appropriation remaining on hand July 1, 1904.....	₱21,491.05
Appropriations made to the bureau during the fiscal year.....	486,200.01
Total appropriations.....	1,107,691.06

Disbursed for work which bureau of architecture was directly authorized to do.....	₱646,538.10	
Disbursed for work authorized through other bureaus and due bureau of architecture on June 30, 1905	9,392.75	
Total disbursements		₱655,930.85
Returned to general fund		319,139.62
Balance on June 30, 1905.....	₱142,013.34	
Less amount due from other bureaus, as above indicated	9,392.75	
		132,620.59
		1,107,691.06

BUILDING SUPPLY FUND.

Balance of fund on hand July 1, 1904.....	₱35,566.39	
Value of supplies used during the fiscal year credited to this fund.....	274,643.08	
Total credited to building supply fund during the year.....		310,209.47
Value of supplies purchased by bureau direct.....	₱7,945.99	
Value of supplies purchased through insular purchasing agent	242,753.07	
Total value of supplies purchased.....		250,699.06
Balance of fund on hand June 30, 1905.....		59,510.41

(NOTE.—By Act No. 1176 the building-supplies appropriation was made reimbursable.)

Funds of other bureaus handled.

Bureau of agriculture:		
Balance of funds remaining after construction of buildings on government rice farm during fiscal year 1904 and returned to the insular treasury after the beginning of the fiscal year 1905		₱53.50
Bureau of Philippines constabulary:		
Balance of funds remaining after construction and repair work executed during the fiscal year 1904 and returned to insular treasury after the beginning of the fiscal year 1905.....		102.00
Funds turned over by the bureau of Philippines constabulary to bureau of architecture for construction and repair work during the fiscal year 1905		7,500.00
Amount of such funds disbursed during the fiscal year.....		6,236.98
Balance on hand June 30, 1905.....		1,263.02

CONTRACT WORK.

Of the total disbursements the sum of ₱455,724.96 was employed in work done directly by the bureau and the sum of ₱210,205.89 in work done by contract. In the years 1903 and 1904 the work done by contract exceeded that done by the bureau directly. It has been found that the many small repairs, alterations, and installations in the government buildings can be much more satisfactorily, economically, and expeditiously made by the government directly than by contract with outside parties. If all the work of the government of this character were done by contract, advertising would be necessary and advertising for bids on the many small jobs required on these buildings, as shown by this report, would be impracticable. The

large amount of work in small repairs and alterations during the year, therefore, is accountable for the difference in the amount of funds expended for public works directly by the government and the amount expended through contractors.

For further detailed information concerning the bureau of architecture and construction of public buildings, reference is made to the report of the chief of the bureau, marked "Exhibit B," attached hereto and made a part of this report.

BUREAU OF PUBLIC PRINTING.

VALUE OF PRODUCT AND COST OF PRODUCTION.

For the fiscal year 1905 the value of the product of the bureau of public printing, based on the scale of prices established by the employing printers of the United States, less 20 per cent reduction, was \$359,322.615, an increase of \$75,408.775 over that of the previous year. The operating expenses for the fiscal year 1905 were \$204,535.443. Adding to the operating expenses \$12,000 rental value of the premises occupied and \$17,849.26, 10 per cent of the gross value of the equipment for deterioration, gives the sum of \$234,384.705 as the total cost of operation. Subtracting the total cost of operation from the total value of product leaves the sum of \$124,937.91, which represents the excess value of product over the cost of production. The value of stock printing on hand and the collections made for sale of waste paper and for printing work done for provinces, municipalities, and private parties amounts to the sum of \$82,869.275, which deducted from the operating expenses incurred by the government gives \$121,666.17 as the sum expended by the insular government for printing in excess of actual receipts. Allowing for deterioration of equipment and for rental value of premises occupied, the total actual cost of printing to the insular government during the year was \$151,515.43.

REQUISITIONS COMPLETED.

During the year 6,221 requisitions were completed for the insular government, 6,376 for the provincial governments, 662 for the city of Manila, and 630 for outside parties. The work performed for outside parties was such as could not be executed by firms in the printing business in Manila. No work is done for outside parties in the bureau of public printing which would come in competition with the work of outside firms, and the comparatively little outside work done as a matter of accommodation in no way interferes with the government work.

COST OF WORK FOR EACH BUREAU AND OFFICE UNDER THE SEVERAL DEPARTMENTS.

The following statement shows the cost of work done for each of the offices and bureaus under the different departments of the insular government, for the city of Manila, for the provincial governments, and for outside parties during the fiscal years 1903, 1904, and 1905:

	1903.		1904.		1905.	
	Amount.	Total.	Amount.	Total.	Amount.	Total.
Governor-General:						
Executive bureau (including printing for the Philippine Commission)	\$21,469.10		\$44,405.50		\$53,491.75	
Philippine civil service board	4,699.90		7,207.45		7,890.85	
Insular purchasing agent	3,327.25		3,410.45		3,353.60	
Office improvement of the port of Manila	259.35		135.90		106.80	
Exposition board	6,475.55		10,096.65			
Benguet wagon road	271.90					
Total for bureaus and offices under governor-general		\$36,803.05		\$95,255.95		\$44,826.00
Department of the interior:						
Office of the secretary	199.65		9,328.45		23.50	
Board of health for the Philippine Islands	5,311.40		970.00		15,549.55	
Quarantine service	365.40		5,548.60		565.15	
Forestry bureau	1,677.20		1,270.85		9,632.40	
Mining bureau	856.15		4,133.30		810.30	
Philippine weather bureau	2,865.23		184.00		11,543.75	
Bureau of public lands	90.35		1,697.50		1,551.20	
Bureau of agriculture	2,705.85		359.60		2,623.80	
The ethnological survey	70.00		5,890.80		11,695.20	
Bureau of government laboratories	1,220.05		5,379.95		7,387.25	
Philippine civil hospital	275.45		45.10		647.95	
Civil sanitarium, Benguet	60.85				851.70	
Total for bureaus and offices under department of the interior		15,727.61		29,796.15		62,501.75
Department of commerce and police:						
Bureau of posts	8,748.95		12,963.17		9,733.20	
Signal service	203.70		865.30		3,547.55	
Bureau of Philippines constabulary	6,090.20		10,337.85		25,091.35	
Bureau of prisons	612.30		1,421.90		2,416.05	
Office of captain of the port	112.35		6,898.65		5,911.60	
Bureau of coast guard and transportation	3,695.60		1,099.95		1,373.55	
Bureau of coast and geodetic survey	837.55		1,337.80		1,212.05	
Bureau of engineering	159.45		2,967.05		773.30	
Office of Benguet improvements (for 1903 see Benguet road, under governor-general)			16.30			
Calbayog pier construction						
Total for bureaus and offices under department of commerce and police		20,401.10		37,675.97		50,063.65
Department of finance and justice:						
Office of the secretary	117.10		178.55		5,193.95	
Bureau of the insular treasurer	53,446.30		8,632.55		8,042.40	
Bureau of the insular auditor	4,571.45		4,408.05		18,160.55	
Bureau of customs and immigration	82,850.70		24,723.50		46,994.40	
Bureau of internal revenue	2,501.30		828.45		1,032.55	
Bureau of the insular cold storage and ice plant	744.65		1,813.55			

BUILDING AND EQUIPMENT.

The building occupied by the bureau of public printing is not wholly satisfactory and is to some degree inadequate for the purposes of the bureau. It is composed of a frame superstructure on old foundation walls, and the strain of a large amount of machinery on the floors and beams, which are subject to shrinkage and to attacks of anay, or white ants, makes frequent and careful inspection a necessity.

The value of the equipment in the building on June 30, 1905, was \$178,492.65 United States currency. At present the bureau is using the custom-house bodegas for storage purpose. The construction of a substantial steel building, sufficient to accommodate the plant and stock required by it, would undoubtedly be a step in the line of economy, whenever the finances of the government make it possible to consider the proposition.

EMPLOYEES.

The total number of employees in the bureau of public printing on September 15, 1905, was 297, as follows:

Employees.	Permanent.			Temporary.				Total.
	Americans.	American negroes.	Filipinos.	Americans.	American negroes.	Filipinos.	Chinese, Japanese, and East Indians.	
Public printer, superintendent of instruction, and foreman of printing	3							3
TECHNICAL.								
[Entitled to overtime pay.]								
Instructors	27				1			28
Copyholders	2			1				3
Craftsmen			20					20
Junior craftsmen			76			5		81
Apprentices			59					59
Helpers (1 Chinese)			51				1	52
Laborers			17					17
CLERICAL, ETC.								
[Not entitled to overtime pay.]								
Clerks	4		4			8		11
In charge of laborers	1							1
Watchmen (2 East Indians)	2	1					2	5
Messengers			9					9
Carretela drivers			6					6
Carpenters							2	2
Total	39	1	242	1	1	8	5	297

American craftsmen instructors are paid from \$1,400 to \$2,250 per annum. These men must not only have a complete and thorough knowledge of the branch of the printing trade practiced by them, but also must be capable of giving instruction in their specialties to native junior craftsmen and apprentices employed by the bureau. Filipino craftsmen are paid from ₱1.25 per diem to ₱3.50 per diem.

The policy initiated by the public printer of training Filipinos to

do all the work of the bureau save that of an educational or supervisory nature has been eminently successful and the dependence of the bureau on the United States for its skilled labor has been greatly minimized, as the following statement of the number of American and Filipino employees engaged during the past four years will show:

Date.	Americans.	Filipinos.
September 15, 1902.....	52	56
September 15, 1903.....	56	143
September 15, 1904.....	43	186
September 15, 1905.....	34	212

The number of Filipinos employed on September 15, 1905, includes 59 apprentices, who are employed for the purposes of trade instruction rather than for any actual service required by the bureau.

AMERICAN CRAFTSMEN AS INSTRUCTORS.

The printing trade appeals very strongly to the artistic temperament of the Filipino, and from the beginning his interest in everything pertaining to the business has been pronounced and active. In view of the interest taken by Filipinos and of their disposition to acquire a larger knowledge of the printing and affiliated trades, all appointments of Americans during the years 1904 and 1905 were made with the understanding that it would be necessary for them while directing and actively engaging in the work of their respective divisions to instruct the natives in the particular branch of printing with which such divisions were charged. This plan has worked admirably, and some very good native craftsmen have been developed.

APPRENTICES.

On April 30, 1905, there were in the bureau of public printing 61 apprentices, all appointed after examination by the civil service board. The following statement shows the appointments, separations, and promotions of apprentices for the period July 1, 1904, to April 30, 1905, inclusive:

Month.	Appoint-ments.	Promotions.				Separa-tions.
		From class 6 to class 5.	From class 5 to class 4.	From class 4 to class 3.	From class 3 to class 2.	
1904.						
July	5	2	1	-----		
August	3	2	4	-----		3
September	1	1	2	4	-----	
October	2	4	3	2		2
November		3	1	1		3
December	2	1	1	-----		
1905.						
January	1	2	-----	3	1	1
February	3	-----	4	7	-----	
March		2	-----	9	2	2
April		1	4	3	3	-----
Total	19	18	20	29	6	11

All original appointments of apprentices are made to the sixth class, and apprentices are required to serve at least three months in this class, at ₱0.40 per day, before promotion to the fifth class; at least six months in the fifth class, at ₱0.60 per day, before promotion to the fourth class; at least nine months in the fourth class, at ₱0.60 per day,

Artistic to the third class; at least six months in the third class, before promotion to the second class; at least three months in the second class, at ₱1.60 per day, before promotion to the first class; at least six months in the first class, at ₱2.20 per day, as junior craftsmen. Promotions and reductions of public printer and are based on civil service examinations in order to insure an actual three-year course, and promotions, from whatever cause, must be made up in service, first and second class apprentices, as well as other native employees of the bureau of public printing, are paid on the basis of the wage received a bonus of ₱0.60 for each one day of actual service rendered.

Other native employees of the bureau of public printing are required to attend the public night schools of the city, and to submit to the public printer regular reports of their aptitude, and progress. Apprentices and other native employees who are careless or backward at school are invariably dropped from their work in the printing bureau, and the school record of native employees has great weight in determining their efficiency and their value to the bureau. The efficiency of native employees can be readily ascertained during their first year of service, and rarely is it necessary to drop them for inefficiency once they have received promotion to the fifth class. Indeed, of those who had passed from the sixth class only one boy failed during the year to receive the rating required for promotion to the next higher grade. On January 1, 1906, a number of apprentices will have completed the three years required by Act No. 650 and will be given the rating of craftsmen.

FINANCIAL STATEMENT.

The following is a statement of the appropriations and disbursements for the bureau of public printing for the fiscal year 1905:

Statement of appropriations and disbursements for the bureau of public printing, July 1, 1904, to June 30, 1905.

[Amounts expressed in United States Currency.]

	Appropriation act, 1225.	Disbursements.	Balance.	Outstanding obligations.
Salaries and wages:				
Designated classes.....	\$32,000.00	\$31,790.985	\$10,209.015	\$32.18
Craftsmen, junior craftsmen, etc	42,500.00	40,445.215	2,054.785	8.985
Apprentices	7,500.00	8,499.535	1,000.465	
Overtime and contingent	7,500.00	8,093.44	1,406.56	
Refund of H. A. Lampman (overpayment and fines)	a 3.695		a 3.695	
Total salaries and wages	149,500.005	134,829.175	14,674.52	40.525
Contingent expenses	44,467.50	31,061.435	13,357.70	13,229.09
Total	193,971.195	165,890.61	28,012.22	13,269.615

* Refund to craftsmen, junior craftsmen, etc.

The quantity and quality of the work performed by the bureau of public printing during the year and the total cost of operation as compared with the value of the product speak well for the highly efficient manner in which the bureau has been managed. The American craftsmen constitute an active, intelligent, and energetic corps of trade instructors, and the progress made by the native craftsmen and apprentices under their tuition and guidance is commendable.

For further detailed information relative to the bureau of public printing reference is made to the report of the public printer, attached hereto, marked "Exhibit C."

BUREAU OF ARCHIVES, PATENTS, COPYRIGHTS, AND TRADE-MARKS.

DUTIES OF BUREAU.

The bureau of archives is charged with the duty of properly arranging, cataloguing, preserving, and caring for the many documents forming the record of Spanish administration in the islands, of filing and cataloguing the old notarial records, of recording the brands used in marking large cattle, and of registering patents, copyrights, and trade-marks.

PERSONNEL.

Although the work of this bureau has steadily increased since the filing of its last annual report, no addition has been made to the office force. In consequence, even during the hot season, the chief of the bureau has been compelled to require from all employees seven instead of six and one-half hours of daily service.

SPANISH RECORDS.

The duties imposed on the bureau by the cattle-registration act and by the transfer of the notarial books, records, protocols, and archives has greatly retarded the classification and orderly arrangement of the records of the executive and administrative departments of the former régime. Such time, however, as could fairly be spared from the imperative demands of current business was devoted to the Spanish records, and the bureau succeeded in classifying and arranging in bundles 1,830 expedientes of the departments of Gobernación and Fomento, relative to public works, public instruction, hygiene, and municipalities. The bureau is now engaged in culling out all the unimportant documents and those made useless by the ravages of the white ant. Already some 3,234 documents have been gathered together, and it is likely that the committee appointed to pass upon the disposition of these documents will order them burned, in accordance with the provisions of Executive Order No. 17, Series of 1905. The work of indexing chronologically the royal cédulas and royal orders is still in progress, and an alphabetical index of all titles and instruments of sale of crown lands and of matters pertaining to the Spanish department of health, is now in course of preparation.

COPIES OF DOCUMENTS FURNISHED.

During the year 623 copies of documents were made by the bureau. Of these 92 were furnished to officials of the government without charge, and 531 to private parties. These 531 copies contained some 894,694 words. The price fixed by law is 5 cents per hundred words, so that the sum collected for copying was \$447.50. Adding to this the sum of \$366.25 received for time spent in making search for original documents, and \$133.50 for certificates of correctness, gives the sum of \$947.25 or ₱1,894.50 as the total amount received by the bureau for copies furnished by it of documents in its custody.

During the year the bureau furnished on proper order to the courts of first instance in Iloilo, Tayabas, Cebú, and Benguet five original testaments. The chief of the bureau calls attention to the damage caused to the record books by the removal of these documents, to the possible danger of losing them while in transit, and to the fact that the practice of removing original documents from books of record makes possible frauds and abuses which might seriously prejudice the rights of innocent parties who rely on the sanctity of the record for their protection. Under the Spanish notarial law, put in operation in 1899, no document could be removed from the record books unless there was sufficient reason to believe that the document had been used in the commission of a penal offense. The undersigned is inclined to the opinion that there should be a similar provision in the present law, and that copies of important original documents, certified over the seal of the chief of the bureau of archives, should be considered sufficient for all purposes. In cases of disputed signatures or of interlineations alleged to have been made after execution, the genuineness or spuriousness of the document could be just as well proved by witnesses who had examined it in the bureau of archives as by witnesses who had examined it in court.

There is at present in course of preparation a general index of all wills executed before notaries public and now on file in the bureau of archives.

REGISTRATION OF CATTLE BRANDS.

On May 3, 1904, the Commission passed Act No. 1147, regulating the registration, branding, conveyance, and slaughter of large cattle, and providing for the disposition, care, custody, and sale of estrays or large cattle captured or seized by the Philippines Constabulary or other peace officers. The object of this act was to furnish a record title to large cattle, to prevent stealing and illegal transfers, to facilitate the location of lawful owners of estrays, to prevent the slaughter of animals unfit for human consumption, and to preserve from destruction carabao fitted for draft purposes or for agricultural work. Under the act the bureau of archives was charged with the duty of filing a copy of all cattle brands and marks sent to the bureau by municipalities and of making a record of the names, ages, civil status, and occupations of the owners of such marks or brands. According to the data collected by the Spanish Government on file in the bureau of archives, it is estimated that the number of brands to be registered is about 250,000. From the passage of the act until June 30, 1905, a period of fourteen months, only 290 municipalities

filed with the bureau copies of registered brands and marks, and in all only 26,249 copies of brands and marks have been received by the bureau. Of the 26,249 copies of brands so received, it was found necessary to return 4,688 to the municipalities which sent them and to write to municipal officials 351 letters calling attention to the requirements of the law. Of the number so sent back for correction only 527 have been corrected and returned to the bureau. Circular letters containing full instructions as to the registration of brands, the issuance of certificates of ownership, and the method of making transfers have been sent to every municipality in the islands. Moreover, blank certificates of registration of brands, blank certificates of ownership, blank certificates of transfer, and every convenience likely to make compliance with the law easy has been furnished to all municipal officials charged with its execution. Nevertheless, provincial and municipal governments take but little interest in the cattle registration act, although it was passed at their urgent solicitation and request. This laxity on the part of local governments has not been without its compensation, however, as it has been found impossible to record more than 11,236 of the brands now on file in the bureau. Should the provinces and municipalities take up in earnest the registration of large cattle, it is evident that the clerical force of the bureau must be greatly increased, at least for a time.

PATENTS, COPYRIGHTS, AND TRADE-MARKS.

On February 11, 1904, the bureau of patents, copyrights, and trade-marks was merged in the bureau of archives and has since continued as a division of that bureau. The following is a statement of the moneys received by this division during the fiscal year 1905:

	Funds received.
Certificates of trade-marks.....	₱6,700.00
Copies of records furnished.....	32.84
Certificates of copyrights issued.....	15.00
Copies of patents issued in the United States and filed in the bureau of archives.....	134.00
Fees for patents issued in time of Spanish Government.....	142.00
Total.....	7,023.84

Under circulars 12, 21, and 34, Division of Customs and Insular Affairs, War Department, series 1899, patents issued in the United States and trade-marks, prints, and labels registered in the United States Patent Office were given protection in the Philippine Islands on filing with the Philippine government, as required by the circulars, a certified copy of the patent or of the certificate of registration of the trade-mark, print, or label. The sum of ₱134, paid to the bureau for filing copies of patents issued in the United States, was collected in accordance with these circulars.

On April 19, 1904, in reply to a cablegram sent to the Secretary of War relative to the issuance of patents to residents of these islands for inventions made by them, the following cablegram was received:

By act approved March 3, 1903, section 4902, United States Statutes, has been amended so that any person who makes any new invention or discovery and desires further time to secure the same may file a caveat—which includes, therefore, residents of the Philippine Islands. Section 4886, which authorizes the taking out of a patent, applies equally to all persons and is equally comprehensive.

The sections of the Revised Statutes of the United States referred to read as follows:

SEC. 4886. Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement thereof not known or used by others in this country and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, and not in public use or on sale for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceedings had, obtain a patent therefor.

SEC. 4902. Any person who makes any new invention or discovery and desires further time to mature the same may, on payment of the fees required by law, file in the Patent Office a caveat setting forth the design thereof and of its distinguishing characteristics and praying protection for his right until he shall have matured his invention. Such caveat shall be filed in the confidential archives of the office and preserved in secrecy, and shall be operative for the term of one year from the filing thereof; and if application is made within the year by any other person for a patent with which such caveat would in any manner interfere, the Commissioner shall deposit the description, specification, drawings, and model of such application in like manner in the confidential archives of the Office and give notice thereof by mail to the person by whom the caveat was filed. If such person desires to avail himself of his caveat, he shall file his description, specifications, drawings, and model within three months from the time of placing the notice in the post-office in Washington, with the usual time required for transmitting it to the caveator added hereto, which time shall be indorsed on the notice.

In view of the cablegram of the Secretary of War and of the sections of the United States Statutes just cited, all residents of the islands desirous of securing caveats or patents for inventions made by them were instructed to make application direct to the Patent Office at Washington, inclosing therewith the proper fee. Of course, patents issued by the United States Patent Office to residents of the Philippine Islands can not be protected here unless certified copies thereof are filed with the bureau, as required by the circulars above mentioned. It is the opinion of the chief of the bureau of archives, in which this Office concurs, that it would be a great convenience to the people of the islands if the United States Government would authorize the bureau of archives to receive applications for caveats and patents, collect the fees prescribed by law, and forward the applications and the fees collected to the Patent Office at Washington. If any such authority is given to the bureau, the receipt by it of applications for caveats or patents should be considered as equivalent to a filing in the United States Patent Office, and the date of receipt should be considered as the date of filing. The people know nothing of the laws, rules, and regulations governing the United States Patent Office, and the fact that they are compelled to deal with an office so far away from the islands only serves to discourage invention. At present applications for caveats and patents from persons residing in the islands are few. The number, however, might be materially increased if inventors were allowed to deal with the Patent Office at closer range than is possible under existing conditions. Act No. 666, commonly known as "The Trade-Mark Law," has proven a veritable blessing to the business community, and registration of trade-marks and trade names by virtue of its provisions has been very active during the year, as may be seen from the large sum collected as fees on that account.

Financial statement.

Appropriations for the bureau of archives, patents, copy- rights, and trade-marks for the fiscal year 1905:		
For salaries and wages.....	₱25,000.00	
For contingent expenses.....	850.00	
		₱25,850.00
Disbursements for the same period:		
For salaries and wages.....	23,178.34	
For contingent expenses.....	124.33	
		23,302.67
Balance unexpended June 30, 1905		2,547.33
Receipts:		
Fees for copies of documents furnished.....		1,894.50
Fees for registration of trade-marks.....		6,700.00
Fees for copies of records of patents, copyrights, and trade- marks.....		32.84
Fees for 15 certificates of copyright.....		15.00
Fees for filing copies of patents issued in the United States.....		134.00
Fees for patents issued during Spanish régime		142.00
Total		8,918.34

Notwithstanding the additional duties imposed on the bureau, and that it has operated with substantially the same personnel as that allowed to it during the fiscal year 1903-4, its affairs have been administered in a manner highly satisfactory to this Office.

Further information in regard to the work of the bureau of archives, patents, copyrights, and trade-marks may be had by reference to the report of the chief of that bureau, attached hereto, marked "Exhibit D."

AMERICAN CIRCULATING LIBRARY ASSOCIATION OF MANILA, P. I.

NEW LOCATION OF LIBRARY.

Just about the time the last annual report was made the library was transferred from its present quarters on Calle Rosario and established in the Oriente Building near the heart of one of the most thickly populated districts of the city. The present quarters if not spacious are at least comfortable, and the new tramway has made them accessible from almost every part of the city. The library has increased in popularity, and the capacity of the reading room is often taxed to its limit by Americans and by Filipino students, who apparently appreciate the advantages offered by the library for study and enjoyable reading.

PRIMARY OBJECT OF ESTABLISHMENT.

The fact that the library was originally established to furnish the soldiers and sailors of the United States Army and Navy stationed in the Philippines with entertaining and instructive literature has not been forgotten by the present library authorities. Five traveling libraries, made up of duplicates on the shelves and composed of 300 volumes each, are now in circulation among the various military and naval posts of the islands. In addition to the reading matter thus furnished, thousands of newspapers, periodicals, and magazines received from patriotic persons in the United States are distributed

as soon as possible after arrival among the soldiers and sailors stationed in the islands. Since the library was first established the number of military posts and stations has been greatly reduced. Nevertheless an immense amount of reading matter still continues to come to the islands for distribution, and it is thought that during the fiscal year 1905-6 some arrangement should be made whereby this material may be made available to Americans located in the provinces, many of whom are ex-soldiers. Should the library become a division of the bureau of education small stationary libraries made up of duplicates could be readily established at slight expense at provincial schools, and the small libraries so established would furnish interesting reading matter not only to Americans but to Filipino students as well. During the past year an average of 300 tickets per month was issued and an average of 1,250 volumes circulated. The proper cataloguing, arranging, and classifying of the books in the library has been in progress since January 15, 1905, under the supervision of an expert cataloguer. If to this work is added the ordinary duties of the library, the labor of packing and distributing reading matter for soldiers and sailors, of keeping traveling libraries circulating among the various military and naval stations, and of caring for and preserving books in a tropical climate, it would seem that a library force composed of one librarian, one assistant librarian and cataloguer, and two Filipino messengers is not excessive for the performance of the duties expected. Should the library be consolidated with the bureau of education, its name and memorial features can still be preserved, and at the same time needed assistance can be given by division superintendents and teachers to the librarian and her assistant to the betterment of the service and without additional expense to the government.

Mrs. Emma O. Elmer has been acting as librarian during the absence of the librarian on leave in the United States.

FINANCIAL STATEMENT.

The appropriations, receipts, and expenditures for the year were as follows:

Appropriations		
For salaries and wages.....	P4, 800. 00	
For contingent expenses.....	1, 400. 00	
		P6, 200. 00
Expenditures:		
For salaries and wages.....	4, 331. 18	
For contingencies	487. 97	
		4, 819. 15
Balance on hand June 30, 1905.....		1, 380. 85
Receipts from subscriptions. dues, etc.....		2, 299. 25
Expenditures for books.....		1, 350. 01
Balance available for purchase of books June 30, 1905.....		949. 24

Great credit is due to Mrs. Greenleaf, who founded the library in the early days of American occupation; to the Ohio Daughters of the Revolution and other memorial associations, who have contributed many valuable books to memorial sections in the library, and who have aided so unselfishly to make it a permanent and successful institution. The ladies who have voluntarily given their assistance

in carrying out the beneficent purposes for which the library was founded merit the approval and warm commendation not only of the government but also of the soldiers and sailors to whom these ladies have furnished the means of whiling away many a tedious and lonesome hour.

The management of the library has been efficient and satisfactory.

For additional information relative to the work of the library during the year, reference is made to the report of the acting librarian marked "Exhibit E," attached hereto and made a part hereof.

THE OFFICIAL GAZETTE.

OBJECT OF ITS ESTABLISHMENT.

At the earnest solicitation of business men and provincial and municipal officials, the Official Gazette was established in the last quarter of the year 1902 for the purpose of conveying to government officials and the public in general reliable information as to decisions made by the supreme court, laws and resolutions passed by the Commission, executive orders and proclamations, opinions rendered by the attorney-general on questions of law submitted by officials, changes in the service, and such other official information as might be of use.

DISTRIBUTION.

The paper is published weekly in Spanish and English, and is delivered free of charge to certain United States and Philippine officials named in the act. To all others the paper is furnished at the subscription rate of ₱12 per annum or by the single copy, at ₱0.30 per copy. Subscription to the Gazette by provinces and municipalities is made mandatory by law, and each province is enjoined in the law to file and safely keep the paper with its official records for reference. When bound with the complete and comprehensive index provided, the Gazette is very convenient for reference purposes and furnishes in compact form which valuable information to government officials, attorneys, and business men.

IMPROVEMENTS.

A number of improvements have been made in the paper during the year. Among them may be mentioned the furnishing of syllabi to resolutions of the Commission and opinions of the attorney-general; the introduction of helpful footnotes to prior acts, executive orders, resolutions, and decisions mentioned in the text; the substitution of a quarterly for a semiannual index, and the insertion of special index to the different departments of the paper.

RECOMMENDATIONS OF EDITOR.

In his report to this office the editor of the Gazette makes a number of recommendations, which he believes would increase the number of pay subscriptions to the paper and be of financial benefit to the

Gazette. He suggests that municipalities be obliged to subscribe for both the Spanish and English copies and pay a subscription of ₡20 per annum therefor; that the practice of furnishing free of cost extra copies to replace numbers lost from files be discontinued; that no further publication of laws, resolutions, circulars, orders, or other official matter be made in daily newspapers or in leaflet or pamphlet form, and that all bureau advertisements and legal notices, the publication of which is required by law, be made in the Gazette.

This office is of the opinion that all these recommendations should be approved save and except the first, which requires municipalities to subscribe for both the Spanish and English editions of the Gazette and to pay therefor a subscription price of ₡20 per annum, and that part of the second which recommends the discontinuance of the publication of laws and resolutions of the Commission and circulars and executive orders of the government in leaflet or pamphlet form.

The Gazette is now published at a net cost to the government of ₡19,952.73. The publication in the daily newspapers of substantially the same matter as is now published in the Gazette costs the government about ₡24,000 per annum. In addition, the government incurs an expense of not less than fifteen or twenty thousand pesos a year for the publication of its laws, resolutions, and executive orders in book or pamphlet form. The expense of publishing annually the laws and resolutions of the Commission and the circulars and executive orders of the government can not be very well avoided, but it does seem that the time has now passed when there is any necessity of publishing the same matter both in the Gazette and daily newspapers. If it is thought that the newspaper is a better medium of communication with the public, and that the necessity of giving to the public speedy knowledge of all laws passed by the Commission still continues, then the Gazette should be suppressed, thereby saving to the government an expense of about ₡20,000 a year. On the other hand, if it is believed necessary to maintain the Gazette as an official publication to which the people by custom give full faith and credit, then further publication of all official matters in the newspapers should cease, thereby making a saving of about ₡24,000 a year.

Attention is respectfully called to the fact that the Official Gazette now supplies, free of charge, to officials of the government 10 to 50 per cent of the original numbers furnished, to make up for numbers carelessly lost or destroyed. It would seem to be a wise policy to exact from officials a charge for all extra numbers so supplied.

SUBSCRIBERS.

The total number of subscribers to the Gazette on June 30, 1905, was 2,088. Of this number 493 were for English copies and 1,595 for Spanish copies; 292 subscriptions for English copies and 748 subscriptions for Spanish copies were on the free list and 201 subscriptions for English copies and 847 subscriptions for Spanish copies were on the pay list.

FINANCIAL STATEMENT.

The appropriations for the office of the Official Gazette for the fiscal year 1905 were as follows:

Appropriations:		
For salaries and wages.....	₱10,000.00	
For contingent expenses.....	640.00	
	<u>10,640.00</u>	
Expenditures:		
For salaries and wages.....	₱8,370.87	
For contingencies.....	216.00	
	<u>8,586.87</u>	
Total actual money expended.....		8,586.87
Cost of printing the Gazette for the fiscal year....	24,688.00	
Cost of other printing for the office of the Official Gazette, including wrappers, stationery, binding, indices to supreme court decisions, and miscellaneous forms, for the year.....	1,313.00	
	<u>26,001.00</u>	
Total cost of printing.....		26,001.00
Total cost of publication of the Gazette for the fiscal year 1905		34,587.87
Receipts:		
For subscriptions and sale of single copies during the fiscal year 1905 (not including ₱27.60 Mexican currency received in July, 1904).....		14,635.14
Actual cost of the Gazette to the government for the fiscal year 1905 (less ₱27.60 Mexican currency received in July, 1904)		19,952.73

CHANGE OF EDITORS.

On October 20, 1904, Mr. Maxwell L. McCollough, editor of the Gazette, was granted leave to visit the United States. During his absence he tendered his resignation, which was accepted effective as of the date it was presented. On February 26, 1905, Mr. Norton F. Brand, who acted as editor of the Gazette during the absence of Mr. McCollough, was appointed editor, effective as of November 1, 1904, and has continued in the office to the present time.

The management of the Gazette has been efficient.

For further detailed information regarding the Official Gazette attention is invited to the report of the editor, attached hereto and marked "Exhibit F."

Respectfully submitted.

JAMES F. SMITH,
Secretary of Public Instruction.

The PHILIPPINE COMMISSION,
Manila, P. I.

EXHIBIT A.

REPORT OF THE SUPERINTENDENT OF EDUCATION.

DEPARTMENT OF PUBLIC INSTRUCTION,
BUREAU OF EDUCATION,
Manila, P. I., September 15, 1905.

SIR: I have the honor to submit herewith the fifth annual report of the general superintendent of education for the Philippine Islands covering the period from September 15, 1904, to September 15, 1905.

INSULAR EXPENDITURE FOR SCHOOLS.

The appropriation bill for the fiscal year 1904-5, which was Act No. 1225, enacted August 31, 1904, provided ₱2,417,450 for the bureau of education. By Act No. 1275 ₱350,000 was appropriated by the Commission for aid in the construction of provincial and intermediate schools, and by Act No. 1342, passed May 5, 1905, ₱60,000 was appropriated for building for insular schools from the sum realized by the bond issue authorized by Act No. 1301. This makes a total of appropriations from the three sources of ₱2,827,450, of which ₱410,000 were extraordinary appropriations for building purposes and not connected with the operating expenses of the bureau. Of the regular appropriation for the bureau of education for the fiscal year 1905 there has been expended ₱2,402,733.46. There may still be some minor outstanding obligations unpaid, but the above figure may fairly represent the cost to the government of the bureau of education for the past fiscal year. There were unexpended balances from the above appropriation of ₱14,555.96 on salaries and wages account, and ₱160.58 on contingent expenses account. The bureau of education incurred no deficit during the year. The total of insular expenses for the bureau of education during the fiscal year ending June 30, 1904, was ₱2,488,192, but outstanding obligations later brought the total expenditure for the year up to ₱2,503,781.50.

In the last annual report attention was invited to the fact that since 1903 the bureau of education has been conducted each year with less cost to the government. The amount expended this last year was ₱101,048.04 less than in the fiscal year 1904 and ₱398,392.54 less than in the fiscal year 1903. The retrenchment which has been made during the last two years can not, however, continue if the government is to conserve the results which have been obtained. The number of American teachers, at present 861, should be increased by at least 100; the number of Filipino insular teachers, at present 294, should be increased by at least 200, at an average salary of ₱480 a year, and a much larger sum should be appropriated for equipment, tools, agricultural implements, machinery, and equipment for house-keeping and sanitary instruction. An appropriation of at least ₱3,500,000 by the insular government is needed.

PROVINCIAL EXPENDITURES.

These have been limited to provision by provincial boards for housing provincial high schools and paying the incidental expenses of these institutions. The total amount expended for this purpose from current revenues by the provinces was ₱78,918.40, an average of ₱1,972.96 to each province. The total appropriation of provinces for all expenditures out of current revenue for the fiscal year that has just closed has been ₱2,948,640.85, from which it appears that the sum appropriated for school purposes by provincial boards amounts to only 2.7 per cent of the whole provincial expenditures. This general result can hardly be considered satisfactory. Act No. 372, organizing provincial schools, contemplated maintenance by provincial governments of secondary instruction at some future if not early date, the insular government to aid during the time of the organization of the provincial fiscal system. During the past year the maintenance of provincial high schools cost the bureau of education an estimated total of ₱540,000, of which ₱500,000 is estimated as teachers' salaries and ₱40,000 as equipment, including text-books and school supplies, tools, machinery, scientific apparatus, etc. It will thus be seen that the

bureau of education expended for provincial schools about seven times as much money as the provinces themselves. It must be said, however, that a number of provinces have contributed generously to provincial school support, and the interest of many provincial officers in these schools has been admirable and their feeling of responsibility sufficient. In other cases provincial boards have slighted their responsibilities and contributed in a way not at all satisfactory. We must frankly face the situation that there is no compulsion upon the provincial boards to maintain these schools and by no means unanimous disposition on the part of provincial governments to support them. In view of this fact one of two changes should be made: Either a compulsory provision should be adopted appropriating a certain fraction of provincial revenues to provincial school support, as is done in the case of municipalities, or wholly relieve the provincial governments of the support of provincial schools and throw this burden where it now almost entirely rests—that is, upon the insular government. Where titles have been secured for land and buildings in the provincial high schools these have been vested in the provincial board as provincial property, preferably with the clause reserving them for secondary school purposes under the bureau of education. In case the second recommendation herein is carried out these properties should be revested in the insular government.

MUNICIPAL SCHOOL FUNDS.

Primary schools are supported at the present time almost entirely by local taxes. By the municipal code, which was enacted January 31, 1901, a levy of a land tax of one-fourth of 1 per cent was made obligatory upon municipal councils, the proceeds to be devoted to primary school purposes. Great difficulty was experienced at first in securing this fund and in insuring its disbursement for school purposes after it was collected. Especially during the year 1902, when cholera was active, considerable sums were diverted from the school funds to the other expenses of the municipality, and as a result teachers were unpaid and school finances generally were disorganized. But beginning about two years ago a system was devised for the oversight of all school funds by division superintendents, and a system of approval and audit by the division superintendent was made possible through the cooperation of provincial treasurers with the approval of the insular treasurer. Superintendents were instructed to pay particular attention to the question of school finances, to reduce the expenditures in each town by the dismissal of teachers or reduction of salaries until expenditures would not be greater than the actual income and deficits be thus avoided. This matter is one which has received most serious consideration by division superintendents, and during the last year and a half there has been great improvement in the administration of local school revenues. For the fiscal year ending June 30, 1904, the sum of ₱1,016,303 was reported to have been collected. For the fiscal year ending June 30, 1905, the amount aggregates ₱1,797,547.67, distributed under the following sources:

Land tax.....	₱960,269.65
Appropriations from general fund.....	451,438.79
Loaned from general fund.....	15,106.58
Internal revenue.....	114,193.23
Receipts from other sources, including balance on hand July 1, 1904.....	256,539.42

From this table it will be evident how vital a source of revenue is the one-fourth of 1 per cent land tax, furnishing as it does more than 53 per cent of the total. In addition to this sum the amount appropriated from general municipal revenues in almost every case was received from the land tax. This additional amount so taken from the land tax added to the above gives us the proportion of 78 per cent of the total school funds derived from land taxation. Further, in addition to the collections reported above, there have also been received from voluntary contributions donations to the value of ₱232,988.33, which is of signal interest as illustrating the growth of public sentiment in behalf of the schools and the willingness of the Filipino people to make voluntary contributions to this end. It is likewise significant that a large number of municipalities should have voted to increase the one-fourth of 1 per cent to three-eighths or one-half of 1 per cent, the proceeds to be devoted to schools. Considering the fact that this was a voluntary action on their part and that the land tax has not been a popular or well-understood measure, considerable importance may be attributed to this action.

This sum of ₱1,797,000, raised locally for primary instruction, while not entirely adequate, sufficed this last year to pay, in addition to building and other expenses, over 4,000 teachers an annual salary of about ₱220 each. In place of 4,000 teachers, however, we require 6,000, and a larger salary will soon have to be paid them. These teachers are constantly gaining in ability and merit, and eventually their average salary should be at least ₱30 per month. Within the coming year it will be advisable to increase the average to at least ₱25, if the teachers who have been trained by great effort and expenditure are to be kept in the teaching service. Otherwise they will accept the considerably higher salaries

offered them in other branches of the public service. Our need is for 6,000 teachers at a monthly salary of ₱25 or ₱300 per annum. To pay this salary requires an expenditure of ₱1,800,000 annually, or practically the total amount now realized from local funds.

The most important problem at present facing the bureau of education is the question of providing this or a larger sum of money. The expectation seems to be that, owing to the difficulties of determining the ownership of land and of collecting the assessments, the land tax will probably be suspended for a term of years. If this is done, and 78 per cent of the local revenue for primary schools is thereby cut off, it is recommended that an additional cedula tax of ₱1 be provided for, the proceeds to be devoted entirely to primary school instruction. This, it is estimated, would supply the sum of ₱1,341,000 annual revenue; add to this the sum of ₱375,000 of internal revenue and we have the sum needed to maintain the force of primary teachers. This still leaves unsolved the question of school buildings, which is a most serious and important one, and for the construction or rental of which over ₱200,000 was spent the last year. It is an easy matter to secure the gratuitous erection of a barrio schoolhouse made of light materials upon the promise of furnishing a teacher, but such buildings are not satisfactory and should be replaced by model barrio schoolhouses. Under prospective systems of school revenue, however, the problem of securing adequate, decent, and comfortable municipal and barrio school buildings seems incapable of solution for many years.

It is possible, however, that the internal revenue tax may supply a larger amount than is here estimated, and, in addition to this, something would be saved by the fact that the full number of 6,000 teachers would not be all appointed at the first of the year, and a moderate saving would accrue on salaries by absences of teachers and resignations without vacation pay.

Even with a very modest building programme, the system of local primary schools to succeed needs a no less total sum than ₱1,800,000, and this sum, it may be pointed out, is less than 26 centavos per head of the Christian population, or ₱4.70 per year for each child who can thereby be instructed.

VOLUNTARY CONTRIBUTIONS FOR SCHOOLS.

These have attained the high figure of ₱232,988.33 during the past year. Nearly all of this contribution has either been made by poor people of the barrios for the erection of barrio schools and has taken the form of gifts of land, materials, labor, and small sums of money, or has been given in the form of gifts for provincial school construction. A large amount of this voluntary aid was called forth by the appropriation of ₱350,000 by Act No. 1275 for provincial and intermediate school buildings. In apportioning this money the condition was frequently imposed that an additional sum should be raised by the locality, either out of public funds or by private subscription.

The private response given to school needs is, as stated above, a striking evidence of the readiness of the Filipino people to make sacrifices to secure schools. A few instances might be cited: In Surigao over ₱6,000 in cash has already been paid in, much of it coming from peso subscriptions. In Sorsogón over ₱20,000 has been realized in this manner; in Tayabas nine towns alone have donated over ₱14,000 in labor and materials; in Romblón, a small division, the people have donated land, labor, and materials to the value of ₱15,000, and 15 schoolhouses have been built as a result; the municipality of Romblón has given a site of 9 acres for the provincial high school, and the people of this province have contributed ₱7,500 toward its erection. In Bohol, where great scarcity has existed for some time, the people contributed money, materials, and labor to the value of over ₱15,000, out of which 47 barrio and 2 municipal schoolhouses were built; and in Samar, where the worst conditions have prevailed during the past year, the people have contributed, principally in labor, over ₱7,000 toward the erection of schools. Several propositions have been made to the bureau of education which, by reason of the limits of the fund, could not be accepted. For example, in Pangasinán the towns of Mangatarém and Binalonan each offered ₱10,000 out of voluntary subscription provided the bureau of education would furnish an equal sum for the erection of an intermediate school. In Binalonan every municipal officer, from the president down to the lowest municipal policeman, offered a month's salary to the fund. The town of Silay, in Occidental Negros, in order to secure the permanent location of the provincial school at that point, made a definite offer of a subscription of money, labor, and materials, which amounts in value to ₱10,000. Other instances of continued support of schools, not given under the influence of concerted movements but given regularly, might be cited; for instance, in Occidental Negros two ranch owners, or hacenderos, are paying the salaries of two primary school teachers and half the salaries of three more, and the president of Jimamaylan pays out of his own pocket the salaries of five teachers.

Almost from the organization of school work here the Filipinos have shown themselves ready to make sacrifices for the education of themselves or members of their families.

Even rather remote relatives sometimes assist to pay the expenses of a young man or young woman while at school. The humblest and most ignorant peasant has, in thousands of instances, made sacrifices for the advantages of his child. This is the first step in the creation of a public opinion that favors making sacrifices for education, but the second step, that in which a community will unite in contribution under the influence of some immediate gain like the organization of a new school, is sufficiently seen in the instances above cited. A third step in the education of the public to the necessity of sacrificing for this purpose awaits development, and that is the willingness of the people as a whole to tax themselves for school maintenance. On this last step, however, it is believed that great advance can be seen. Taxes in these islands have in the past seldom been directly applied for public benefits where they were raised, and to the ignorant man are probably looked upon as a forced contribution from which the person contributing derives no benefit or return. The education of the people into the wisdom and necessity of paying taxes for public improvements may be successfully accomplished providing the administration of this revenue is kept pure; that amounts raised are promptly applied for local improvements (and this point is constantly dwelt on among the people), and providing, further, that the government does not waver in its fiscal policy at the demand of the selfish private interests that find their centers in Manila, and, being most to the center of government, are most effective in securing recognition of their views.

PRIMARY INSTRUCTION.

Primary instruction has received a great extension during the last year through the opening of barrio schools and the increase of attendance in schools already established. The number of primary schools increased from 2,233 in July, 1904, to 2,727 in March, 1905; the number of primary teachers from 3,585 to 4,457; but the enrollment in the schools increased far out of proportion to the increase of teachers and facilities for properly instructing these schools. This astonishing growth of numbers attending schools is shown by the following statistics taken from different parts of the school year: July, 1904, 251,475; November, 1904, 345,018; March, 1905, 501,000, which is the number of children enrolled in the primary schools for the year. This constant rise in attendance was accomplished without compulsory attendance, and was to a very great degree due to a greatly awakened desire on the part of the Filipino parents for education for their children. The result, while it serves as an encouragement and quickening to every part of the bureau of education, yet embarrasses division superintendents and teachers in their efforts to secure anything like proper facilities for instructing this number. It will be understood that almost all of the gain of attendance was in pupils of the primary classes, who came into the schools practically having never received any instruction whatever. These pupils were organized in classes and started to work in English conversation, and their instruction was carried on rather by blackboard and chart than by the use of primers. Many pupils were employed as aspirantes or monitors without pay in addition to the teachers serving under division superintendents for compensation. A year ago the purpose of the bureau was outlined to secure the attendance in the primary schools of 400,000 children. It was hardly believed that this figure could be attained even as school enrollment. It was, however, as stated above, surpassed by 101,000.

Agreeing with the almost unanimous judgment of division superintendents, the general superintendent at the beginning of this year called attention to the fact that the enrollment of the primary schools should for this current year be held down. No more than one-third of the children of school age in any one district should be allowed to attend unless ample facilities exist for their training. The measure ordered to prevent this excessive enrollment is the cutting out of the younger children, not only those below 6 to be denied admission, but, if necessary, the age of entrance to be raised to 8 to 9, or even 9 to 10. Our experience seems to be that the primary course as outlined is too difficult and covers too much ground for a child between the years of 6 and 9. A better plan would be to take the boy or girl at 9 into a primary course and plan to thoroughly complete the primary course by the time the child reaches the age of 12 or 13. A year's time might well be allowed to elapse during which the boy or girl is attaining puberty, this being a period, as noticed by many teachers, of dullness and a corresponding slackness in study, and then at the age of 14 or 15 the boy or girl would be ready to enter the intermediate school.

At the conclusion of the last school year a uniform examination for the completion of the primary course was held throughout the archipelago. The subjects and questions given are shown in an exhibit, and may be consulted by the person desirous of understanding the degree of attainment which the graduate of the primary course of instruction is required to reach. Four thousand nine hundred and seventeen children are reported to have passed this examination and were given certificates, signed by division superintendents, certifying their completion of the primary course and entitling them to enter any intermediate school without entrance examination. The conduct of this examination and the grading of these

papers threw a very large amount of duty upon this bureau, which was performed largely by American teachers having vacation duty to perform. A grade of 70 per cent in each subject was required for passing. At the end of the present year it is probable that only those pupils will be allowed to enter this examination who have received in their daily class work a rating of at least 70 per cent, and the average of this grade for daily work with the grade secured in examination will be taken as a final test of the pupil's right to certification. As this is the course of study which we are striving to bring within the reach of every boy or girl in the islands, and as it will constitute the future educational endowment of the men and women of the Philippines, it is, perhaps, appropriate to devote some little consideration to the question of the actual serviceability of this instruction to the present rising generation.

THE PRIMARY SCHOOL.

The bureau of education having addressed itself particularly to the organization of primary instruction for the barrio or rural population, our means being limited and the years but few during which the child of a peasant or fisherman can attend school, the primary course has had to be reduced to the lowest possible terms. As at present conducted it includes three years of instruction in reading and writing English, two years in number work, ciphering, and keeping of accounts, and one year in elementary geography. Together with these fundamental branches goes a considerable amount of instruction which each month we are trying to make more serviceable to the future needs of the boy or the girl in personal hygiene, bodily exercise, conduct, in agriculture or in the industries that bear most directly upon the life of the community and in the fundamental civil rights and duties of the people of this country as provided by the existing system of law.

WHAT DO WE HOPE THAT THIS PRIMARY INSTRUCTION WILL DO FOR THE COMMON PEOPLE OF THE ISLANDS?

Out of the total population the great proportion of Filipinos are farmers. The Philippine census reports, out of 1,958,479 men engaged in occupations, 1,145,230 to be farmers and farm laborers. Of these, the majority own their own farms, albeit these holdings are very small, averaging less than 9 acres. That is, considerably more than half of the population are peasants, and of this number more than four-fifths are "peasant proprietors." We take it for granted that small farmers—they and their children—will remain, and that in intensive farming lies the hope of their prosperity. We hope, and our work is based upon this hope, that primary schooling will make the future farmer of the Philippines a better farmer than his father; will make him more anxious to own his own farm and to considerably extend the size and cultivable area of that farm; that he will have enough training to know and be able to appreciate improved methods of farming; that the amount of reading and cultivation which he has received, small though it be, will inspire him to adopt a better standard of life, to build a better and more durable house than the nipa structure in which the great mass of the people at present live. We hope that the arithmetical instruction which he receives, with its training in practical business methods, will enable him to compute the value of his crop when he has harvested it and to secure therefor a fair price where he now receives an unfair one, and will enable him to compute his own liabilities and so gradually lead the peasant population out of that condition of bonded indebtedness in which a large proportion is to-day sunk. The absolute ignorance of the farmer at the present date regarding such practical matters as loans on crops, rates of interest, commissions, profit sharing, etc., leads to his receiving at the hands of the "comerciantes" or "caciques" a relatively small proportion of the fair reward of his labor and sacrifice. It is only by educating this great class of the population to a knowledge of such matters that we may expect to see bonded indebtedness decline, the savings of the population increase, and the material condition of the mass of the population improve. This part of the population needs education more than it needs any other thing for its own protection, if for nothing else; and to depreciate, as some are inclined to do, our efforts to educate this great mass is to betray an ignorance of the conditions and needs of this population or an absolute selfishness as regards the welfare of nine-tenths of the population.

IS THIS INSTRUCTION CALLED FOR BY CONDITIONS IN THESE ISLANDS?

The primary requisite of a system of public instruction in the Philippine Islands is that it shall be at all times in accordance with the aims of the American administration. As that branch of the service most intimately affecting the character of the people there should be constant study that in all its activities and aims it should seek to realize in the people the fundamental purpose of the American Government. In two previous annual reports the general superintendent has emphasized the purpose of the bureau of education to bring primary education within the reach of every part of the Christianized provinces of the Archi-

pelago. This purpose has during the past year been so nearly accomplished and has become to be so well understood by superintendents and teachers that this result, already approximately attained, will shortly be realized without further special emphasis on the part of this office. It now remains to bring up the standard of instruction in these primary schools and to study to make the instruction given applicable to the actual needs of the Filipino people as we find them. Having determined to give a certain amount of elementary instruction to the children of all families, we should make sure that the instruction actually given is that ministering most effectively to the greatest needs. Of the 7,000,000 Christianized inhabitants of the Philippines, at least 6,500,000 are helplessly illiterate.

This ignorance^a is at once their greatest handicap and the greatest obstacle in the way of the establishment of here of a successful form of government and the building up of a prosperous society. Legally and theoretically, society in these islands is free and has been so for many years. There is no recognized aristocracy or chieftainship; there are no recognized feudal obligations nor personal allegiances; there is no legal personal connection between the owner of an estate and the peasants who dwell upon it or between a large employer and the laborers who work for him. Legally labor is free and has been so for decades; legally the estate owner and the capitalist have no personal obligation toward those who labor for them other than to pay them their just wages when they are due. The estate owner or capitalist can not be expected to feel that responsibility for the well-being of his dependents which a legally recognized feudal system compels. He is free to exploit his laborer so far as his greater intelligence and opportunities permit, and he frequently does so.

There appears to be nothing this great mass of illiterate Filipino people so much need as a knowledge of reading, writing, and ciphering, with some understanding of the great world beyond their immediate homes and the variety of life and opportunities which it affords. A rising tide of prosperity from 1835 onward attended these islands until the outbreak of the revolution, but it was not shared by the great mass of the people. They are as poor to-day as when these islands were first opened to trade; they are as poor as their forefathers were when the vessels of Magellan first entered the Archipelago.

Great prosperity may attend the history of these islands during the years that are immediately to come, but this prosperity will not be shared in by the mass of the people unless their ignorance and helplessness are dispelled. Laws may be passed for their benefit and they will never know of their existence. The markets for the products which they raise may be bettered, improved systems of production may be introduced, but they will not participate in the general benefits. The volume of foreign trade may increase and wealth accumulate, but the Filipino peasant's family will live in no better house, wear no better clothing, buy no more outside products that conduce to a life of comfort and decency, unless the intellectual standard is generally raised.

The peasant is at present often inflicted with a bonded indebtedness; he is equally unable to calculate this indebtedness and to understand how it increases; he only knows that he never gets rid of it and that it passes from him to his children. Under the pressing influence of this bond he has no incentive to accumulate or to save. If he believes himself possessed of a piece of land he has not the knowledge or experience to enable him to secure a title thereto.

These are the actual social conditions which we encounter among a people to whom the American Government has already extended large self-governing powers and representative institutions. Their betterment is the task of education in these islands. Very differing policies have been held before the American Government in these islands; policies of economic development by outside capital and imported labor; of the granting of large franchises, the creation of large corporations; the development of a great commercial colony; but for the educator the ideal to be achieved here is that of a growing, thriving population, able to speak a common language, two-thirds agricultural, all economically independent, owning the farms they till, trained to better methods of agriculture and of industry, able to read and understand the newspaper (an increasingly important influence in these islands); able to keep accounts, to figure out profit, interest, commission, and other simple matters of business; subsisting on a more varied and nutritious diet, living in better homes, in villages and towns, with sanitary sources of water supply and sanitary systems for the disposal of sewage, the government of which communities the people shall understand and in which they shall actively and intelligently participate. These are the results which this bureau of education is spending nine-tenths of its thought and efforts to help attain.

^a By literacy here I mean something more than the mere ability to write a name or hesitatingly pick out a certain proportion of words written in a native dialect; the standard of literacy which alone is worth anything to the peasant of a country means at least enough knowledge of a written speech to read the simple language of a newspaper and to set down and accurately keep accounts; this much knowledge the overwhelming mass of Filipino people do not possess.

IS UNIVERSAL PROVISION FOR PRIMARY INSTRUCTION POSSIBLE?

In view of our aims and efforts, no inquiry can be more important than the feasibility of the educational plan. Have we the means to encourage us to hope for success in educating a people composed of diverse elements, and living sometimes in almost inaccessible homes? While these conditions of our problem have been somewhat treated of in previous reports, it may be useful to again summarize them, with some additional weighing of our present resources and attainments.

In planning a universal system of primary instruction for the Christian population we have to consider first that this population is found in 35 provinces, in 2 of which the population is mixed Ibanag and Ilocano; in 3 almost pure Ilocano; in 1 mixed Ilocano, Gaddan, and Isinay; 1 Pangasinán with a considerable element of Ilocano; 1 (Zambales) mixed Ilocano, Pangasinán, Tagálog, and in a few towns the old Zambal population; in 1 (Tárlac) mixed Pangasinán, Tagálog, and Ilocano; in 1 Pampango; in 10 almost entirely Tagálog; in 3 Bikol; in 12 Bisaya divided into several elements, and in 1 (Palawan) a mixed Christian population, which includes Bisaya, Cuyono, and Calamián. Besides there is the city of Manila, in which, with the predominant Tagálog population, there is a very considerable population of other races, with an important element of Spanish mestizos, and a large number of Chinese. These 35 Christian provinces are organized for purposes of school administration into 32 school divisions, the boundaries of which are the same as a single province except in the cases of Pampanga and Bataán, Albay and Sorsogón, and Iloilo and Antique. Besides these school divisions there are the 3 non-Christian divisions: The Igorot provinces of Benguet and Lepanto-Bontoc, and the Moro Province.

In the 32 Christian divisions (not including the city of Manila) there are at the present time 613 organized municipalities. These are the units of local government. Under the Spanish Government the number of local governments was nearly double that at present—that is, in this same area there were, in 1898, 1,141 organized pueblos. Some of these Spanish pueblos were extremely old, were in fact native communities at the time of the Spanish conquest. The organization of a considerable number of them dates from the sixteenth century. On the other hand, after the perfecting of the system of local government under the governorship of Clavería in 1847, the Spanish Government for the remaining decades of its rule gave particular attention to the construction of municipal buildings, and, following the development of the country and growth of population, and in response to local feeling, many new pueblos were created in the last half century of Spanish rule. These pueblos were all recognized as local units of authority by the military government, and subsequently by the civil government of these islands, but owing to the heavy expenditures for municipal salaries and in the interests of economy, beginning in the spring of 1903, steps were taken to consolidate these pueblos and effect a considerable reduction of the number of local governments. This step was a serious blow to local feeling, and attachment to the former pueblo still continues. The bureau of education attempts to meet this local attachment as far as possible by taking care that in the poblacion in each of those former pueblos there is maintained what is called a central primary school. Such a school exists in 1,100 of the 1,141 former pueblos.

Of the 613 organized municipalities, there is at present not one without organized school facilities. For the purpose of school supervision municipalities are organized as districts, each one in charge of a supervising teacher, who, under the general authority of the division superintendent, exercises supervision over all schools in his territory. Of the 2,540 primary schools at present organized under the bureau, 788 are central municipal schools, situated, as above stated, in the poblacion or town center, where there are the church and convent, the tribunal or public building, the stores and homes of the wealthier class of the municipality. Of the 6,987,686 of Christian population of the archipelago, the Philippine census shows that 1,253,884 live in these poblaciones or town centers. The school facilities provided in these poblaciones in most cases considerably exceed the one-third of the school population between the ages of 6 and 15, which it is our aim to have in our schools; the remaining 5,733,802, or 82 per cent of the total population, live in the barrios or hamlets scattered over the territory of the pueblo or municipality. These barrios are usually closely built up and are located sometimes in the midst of rice fields, sometimes on esteros or where there is easy communication by water, frequently along the shore where fishing is good, and oftentimes far back in the hills. According to the Philippine census there are over 12,000 such barrios in the Christian provinces of the islands. The average number of inhabitants in these is about 500, but many are much smaller and are usually described not as barrios, but as sitios. There are 1,469 barrios in which the population is less than 100 and 50 in which it is less than 10. The present plan of the bureau is to establish a permanent barrio school wherever a constant attendance of at least 40 pupils between the ages of 8 and 12 can be secured. To secure such an attendance requires a population of at least 700 people. Where the population rises above 1,400 to 1,500 at least two teachers

would be necessary and would be sufficient for a population up to 3,000 souls. On this basis we find that for the instruction of the barrio population living in communities of 700 to 3,000 souls there are needed 2,115 schools, with 2,543 teachers. These, together with the 788 schools in poblacions, is a provision for the public primary instruction of all children between the ages of 8 and 12 for 3,542,584 souls, or 52 per cent of the total Christian population. This leaves 3,457,416 people living in settlements of less than 700 members for whom public instruction is insufficiently organized. In numerous cases the purpose is served by uniting several barrios in one school, and placing the school at some central point as equidistant as possible between the several hamlets. For the remote sitios, which are nothing but little clusters of houses with a dozen to twenty families, no system of public schools has as yet been worked out, nor are such sitios provided with public schools, and yet it is these very sitios which represent the extreme of ignorance and backwardness among the Filipino population, which are frequently in active sympathy with if not actually engaged in ladroneism, which as much as any part of the Filipino people require and should have the enlightening influence of schools. A step has been made toward enlightening these little spots by the attendance at the central schools of a few young people from those remote places. These boys and girls come in and pass the week with friends or possibly relatives who live in the poblacion. Some system should be devised making possible a far larger attendance of such children, and I am not sure but that if a compulsory education law is to be enacted at all it should be enacted on behalf of these pupils, requiring the family to support its children during the years between 8 and 12 in such a manner that they can attend schools in each town. It will be seen from the above that while public primary instruction has not yet been brought within the reach of every child of the Christian population, we have at least seriously grappled with this problem and have advanced immeasurably toward its solution. In order to attain this, this year the number of trained Filipino teachers must be increased from 4,500 to 6,000 and barrio schoolhouses must be built in sites properly situated to reach the requisite proportion of the population. To do this, however, requires a somewhat increased and more satisfactorily administered system of local revenue for school purposes.

The amount of serious attention which division superintendents are giving to this question of bringing primary instruction within the reach of all children is sufficiently indicated by their reports which accompany this article, quotations from a few of which may be made here: In Nueva Ecija, which has a total population of 132,998, and in which province the total enrollment has increased from 2,893 in 1903, and 9,812 in October, 1904, to 11,596 in March, 1905, the division superintendent states that out of some 125 barrios in the province no more than 12 are without schools. "Of these, however, 9 are so near other barrios that have schools that the children can attend school except during the worst weather conditions. This leaves only 3 barrios entirely without school privileges." In Tarlac, the province adjacent to it, the division superintendent has submitted detailed report showing the barrios and the population in each town which lacks schools, and concludes as follows: "This shows a total population in large barrios which have no schools of 35,401 people. The total population of all barrios, both large and small, that have no schools is 52,700. Pupils from some of these barrios attend schools in other barrios. I should estimate roughly that about 42,000 people of the province have not access to the public schools." This would mean that about 31 per cent of the families of the province live in barrios and sitios in which there are no schools, and which are so far from any schools that children can not attend. In Tarlac this condition, as stated above, is in no respect due to a lack of energy and ability on the part of the division superintendent and teachers, but wholly to the poverty of municipal school revenues.

Some of the smaller provinces have most nearly attained the desired result in this respect. For example, Romblon, in which the division superintendent states: "There are in this province 6 municipalities and 15 barrios of first-rate importance. In all these municipal and barrio schools have been established. During the present year additional schools will be organized in barrios not important in themselves, but where facilities for instruction should be provided for children who, by reason of the excessive distances, are able to attend at neither the central schools nor the more important barrio schools within the same municipal jurisdiction. The aim will, therefore, be to strengthen and solidify the system of organization along the lines now being pursued rather than to make any great amplification. When a few additional barrio schools are established, and enlarged equipment in furniture and teachers is provided for certain of the schools already organized, it will be reasonable to affirm that not more than a few hundred of the 10,000 pupils of school age in this division will be beyond the reach of public school instruction."

From the above I am made to believe that our effort to place primary instruction within the reach of even the most remote and ignorant Filipino hamlet is not impossible, but will be realized in comparative completeness within two years more, provided the system of local school support can be somewhat enlarged to meet these needs and can be maintained.

As stated elsewhere, about ₱1,800,000 a year for primary instruction, or an average of not far from ₱0.26 per capita, in addition to the aid that the insular government is at

present giving, is adequate to accomplish this end in addition to the aid that can be secured by the voluntary effort of the people themselves. When the day arrives when we see 4,000 well-established barrio schools in these 36 Christian provinces not only the question of illiteracy will be solved, but also the social and political problems that depend thereon.

PROVINCIAL SCHOOLS.

The provincial high school is taking the form of a technical training school, designing to fit graduates of the intermediate course for a useful vocation in one of several different lines. The courses which are at present offered are five and take from three to four years: a course in literature, history, and the sciences, which, it is believed, will prepare a student for advanced standing in undergraduate work of American colleges—in fact it is our expectation that the satisfactory completion of two years of this course will enable a student to enter college in the United States; a course in teaching, which will qualify a student to teach all intermediate grades; a course in commerce, designed to fit young men for business or industrial undertakings and to provide a highly trained body of men for the civil service; a course in agriculture, to prepare young men for expert farming superintendents, and a course in arts and crafts, for the training of workmen. A considerable portion of the work in all of these courses is the same, electives being chosen in accordance with the course selected.

The establishment of these schools was authorized by Act No. 372, in the following language:

"To provide, if deemed expedient by the provincial board, by construction or purchase, or renting, such school building or buildings in the province as in the opinion of the board may be necessary, to be used for the free secondary instruction of pupils resident in the province, such secondary instruction being understood to include, in addition to academic and commercial subjects, manual training, instruction in agriculture, and normal-school instruction, and to provide for the payment of all expenses of maintaining such public school or schools of secondary instruction as may be established in the province, and the schools in their establishment and conduct shall be subject to the general supervision of the division superintendents and the general superintendent of public instruction in accordance with the provisions of act numbered 74: *Provided*, That temporarily and until such time as the Commission shall decide that the condition of the finances of the province will justify for the future the payment of the salaries of teachers and the expense of supplies and equipment for secondary schools from the provincial treasury, such salaries and expense may be borne by the insular government."

The first schools under this name were organized during the year 1902. The conditions for entrance were, however, at that time very low, admission being given, in fact, to all pupils of mature years. The putting in force of the graded courses of instruction a year and a half ago practically reduced all of these pupils to intermediate pupils and reduced the schools to intermediate grade. With the opening of the present year, however, there are in attendance upon 17 provincial high schools 404 pupils who are properly of secondary grade. They are receiving instruction in English literature, algebra, history, botany, and in some cases zoology, together with the required study of the special branch of the course for which they are enrolled. Latin, Spanish, and French are electives, and one or the other is taught in all of these schools. The high standard for the science work that has been outlined is not being attained in all places, owing to the lack of equipment. Each school is partially equipped with compound microscopes, dissecting microscopes, and other apparatus for biological teaching, but the supply is yet inadequate. To properly conduct these provincial high schools calls for a liberal provision of buildings and for the equipment of the following departments: English literature, mathematics, history, languages, science, teaching, commerce, agriculture, arts, and trades. Nineteen of these schools are provided with good equipment for manual training and carpentry. Nearly all of them have procured or will have within a few months ample sites of land for school farms. The amount of money which has been actually spent for new high school buildings is ₱147,401. The finest high school building so far erected is that of Batangas, which is just about completed at a cost of ₱37,000. Work on the Bulacan provincial high school at Malolos is also under way, and will cost ₱32,000. The first high school building to be built is that of Tárlac at a cost of ₱24,000. Nueva Ecija has just completed an excellent building at a cost of ₱17,000. Ilocos Sur reconstructed a building which was originally partially erected by the Spanish Government as a cuartel for the Guardia Civil at a cost of ₱50,000, inclusive of contributed labor and materials, and now has an admirable building. Albay has commenced the construction of a building to cost ₱32,000, and Sorsogón has begun work on a planned building, the materials to consist of cement-made stone, to be valued at ₱100,000, much of the labor being performed by provincial prisoners. Romblón has under construction a building to cost ₱21,500. Masbate has just completed upon a tract of land of 6 acres, two school buildings partially of light materials, and the bureau of education is furnishing the money for the third. This represents work on

permanent provincial school buildings actually accomplished or begun, but in addition to this nearly every province has made or is making provision for the erection of high school buildings, being in part aided by apportionments of the ₱350,000 provided by Act No. 1275. Great emphasis has been placed upon securing for these schools large campuses. In no case has the plot of land which has been accepted contained less than 4 acres, and in some cases land has been secured for a much larger amount, Leyte having a tract which embraces 181 acres. The buildings that have been put up so far have largely been for central recitation buildings. Within the next few years these schools will also require shop buildings, science laboratories, dormitories, gymnasiums, agricultural buildings, etc. It should be borne in mind that the term high school as applied to these institutions has a very different signification from that used in the United States; these institutions, as stated in the beginning of this paragraph, are to be technical training schools for the secondary instruction of the youth of provinces with a population from 100,000 to 500,000. Only American teachers at the present time are giving secondary instruction, although a considerable number of Filipino teachers have been assigned this year to intermediate classes.

TRADE SCHOOLS AND INDUSTRIAL INSTRUCTION.

The institution which connects the primary and secondary schools is the intermediate school with a three-year course of instruction as stated above. Until the past school year every one of the provincial high schools has properly been intermediate in grade. At the present time only 17 of the provincial schools are offering secondary instruction. Inclusive of the intermediate departments of these provincial institutions, there are now 114 schools of intermediate grade, some of them having no more than ten or a dozen pupils who have completed the primary course of instruction, others enrolling as high as 200 students. In all about 12,000 pupils are now pursuing the intermediate courses.

These institutions are rapidly taking more definite form and are assuming a place of utmost importance in the educational scheme. They are more than a bridge to connect the lower with the higher education. They are designed in themselves to offer a training that will round out the rudimentary knowledge which the pupil gains in the first years of his study and better fit him to engage successfully in some remunerative life work.

To this end instruction from books is supplemented by industrial instruction. When fully and properly organized every intermediate school is an industrial school. For the boys there are two years of practical instruction in gardening and agriculture, and one year in tool working, carpentry, and iron working. The girls are taught sewing, house-keeping, house sanitation, serving of meals, care of the sick, etc. To provide for this instruction the intermediate school plant as at present designed comprises, aside from the central recitation building, a model Filipino house for the accommodation of classes in housekeeping, a shop building for wood and iron working, and a school farm. The establishment of no intermediate school is authorized unless provision is made for an ample site adapted to these ends.

The bureau of education has undertaken to supply the necessary equipment for industrial instruction in intermediate schools proper, and to the intermediate departments of the provincial schools. To this end 20 sets of agricultural implements, comprising plows, harrows, spades, hoes, rakes, and minor equipment have been purchased. Seventeen of them have been sent out to the provincial capitals of Albay, Batangas, Bohol, Cagayán, Cavite, Cebú, Ilocos Norte, Leyte, Masbate, Misamis, Nueva Ecija, Oriental Negros, Samar, Sorsogón, Surigao, Tárlac, and Zambales, and are now for use in the agricultural departments of the provincial schools at these points. One is assigned to Atimonan, Tayabas, one to Puerto Princesa, Palawan, and one to Indang, Cavite, for the intermediate schools of those towns in charge of special teachers of agriculture. Four sets are at present unassigned. Sixty-three sets of a somewhat smaller agricultural outfit have been received from the United States and distributed to intermediate schools in 31 provinces. For shop work the bureau has purchased 24 sets of woodworking tools; 15 of these have already gone to the provincial capitals of Albay, Benguet, Cápiz, Cebú, Iloilo, Laguna, Lepanto-Bontoc, Misamis, Nueva Vizcaya, Pampanga, Pangasinán, Romblón, Surigao, Tárlac, and Zambales, and are there established in shop buildings connected with the provincial schools; one has gone to the industrial school at Apalit, Pampanga, and one to Argao, Cebú. The balance of the woodworking tools are held pending the erection of suitable buildings at other points and the securing of qualified industrial teachers. Iron-working outfits have already gone to five of these points, and mechanical drawings sets to eight.

The Philippine School of Arts and Trades is well established in the city of Manila, with departments of carpentry, lathe work, wood-carving, iron work, blacksmithing, mechanical drawing, and telegraphy, although this latter department will eventually be transferred to the School of Commerce.

As stated in an exhibit to this report, ten shop buildings are now under construction or are about to be put up from funds now at the disposal of the bureau.

THE AMERICAN TEACHER.

The number of American teachers at present in the permanent employ of the bureau is 792, who, together with the temporary appointees, make a total American teaching force of 855. Of this number about 250 are in provincial and special schools, and are there engaged in secondary and intermediate instruction. A somewhat smaller number are employed in intermediate schools outside of provincial capitals, and the balance are engaged in the supervision of school districts.

The importance of the duties of this latter class has been very greatly emphasized in the past year. Every province in the archipelago has been carefully divided by the general superintendent, upon consultation with the division superintendent, into school districts, and a supervising teacher has been assigned to each one of these areas, who is directly responsible to the division superintendent for the proper establishment and extension of school work so placed under his charge. The total number of school districts now organized is 417. Nearly all the supervising teachers are American, and must continue to be for some time. Thirty-two Filipinos, however, are at present assigned to this duty. Heavy demands are made upon the time and energy of the supervising teacher. His district is the fundamental unit of the school system. It comprises an area varying in extent from perhaps 10 square miles to 200 square miles, with all of which he must be familiar. He is responsible for the development of the force of native assistants to fill the needs of the entire district. He must organize the schools under the direction of the division superintendent and see that they are properly maintained. Much of his time is spent in the saddle. He has from a half dozen to 20 or 25 separate schools to inspect and supervise. During the season of typhoons his work is exceedingly arduous and frequently full of danger from swollen streams. He runs considerable risk from contagious diseases, particularly smallpox.

In many instances this supervising teacher is the sole representative of the American Government and the only exponent of American ideas in the entire district over which he has charge. If he is a man of intelligence and character, he is respected by the Filipinos and has very considerable influence socially in his community. His duties are such as to bring him necessarily into close touch with municipal officials and a very large number of the people of the district. At intervals there are meetings of the municipal council, which he attends in order to present to the councilmen the needs of the schools. In addition to these duties he is responsible for the school property, including text-books of his district, having to secure these from his division superintendent and attend to their distribution and collection. He is supposed, moreover, to make a careful study of the geography and sociology of his district and to become thoroughly acquainted with all of its life and activities. His work is not done when his classes are dismissed, for he is resorted to almost daily for advice, counsel, and help from members of the community.

It is obvious that to do this work successfully calls for a very high type of young man—one who has youth, physical strength, endurance, courage, kindness of heart, and willingness to give freely of his time and strength. It is the desire of this office to assign to these important duties only men of very exceptional qualifications.

The bureau is now securing, through appointment in the United States, a much more satisfactory class of American teachers than at certain periods in the past. Examinations to secure eligibles for appointment to this service are conducted by the Civil Service Commission at intervals in all important cities in the States. The examination papers of the candidates are carefully graded in Washington, then forwarded, together with all obtainable information on the experience, training, and fitness of the applicants, to this office, where selections are made personally by the general superintendent. In this connection attention is invited to the following table showing educational qualifications of the present permanent force of the bureau:

Educational qualifications of the permanent American supervisory and teaching force in the bureau of education September 1, 1905. (Not inclusive of temporary appointees.)

Common school education only:

Males.....	13
Females.....	6

High school, not graduated:

Males.....	26
Females.....	8

High school, graduated:

Males.....	68
Females.....	22

Normal school, not graduated:

Males.....	115
Females.....	46

Normal school, graduated:	
Males.....	67
Females.....	21
College or university, not graduated:	
Males.....	119
Females.....	22
College or university, graduated:	
Males.....	215
Females.....	27
College or university graduates who have done post-graduate work:	
Males.....	42
Females.....	4
Total.....	821

This summary includes 792 permanent teacher appointees and 29 division superintendents now actually under appointment.

Referring to the above, it is noted that out of 821 permanent appointees 376 are graduates either of normal schools or colleges, 46 per cent of the total, and 302 have had some normal school or college training, both classes making 83 per cent of the whole number employed. This condition is thought to be a very creditable one, and by the process of selection described above the grade of the teaching force is still distinctly improving. Few permanent appointments are now given to other than college or normal-school graduates.

With the bettering of living conditions in the provinces and the better understanding of health precautions necessary in a tropical country, noticeable improvement is observed from year to year in the health of the teaching force. In 1902 the bureau suffered the loss of 16 American teachers through death; in 1903, 14; in 1904, 8, and in 1905, 3. A careful record of illness of all insular teachers during recent months shows that the average absence from duty per teacher from this cause is only three days per year. This calculation, moreover, includes many long absences of from two to three months, occasioned by accidents and infirmities which are not peculiar to tropical countries. On the whole, it is believed that at the present time the health of the American teaching force in these islands is about as good as that of a like body of persons similarly employed in the United States.

The teaching corps is becoming more stable. It might have been predicted with certainty that of the large number of appointees arriving in the islands during unsettled times of the first years of American occupancy few would continue permanently with the bureau. Manifold disheartening conditions of those times, the uncertain attitude of the Filipino people, the unsettled condition of the country, the frequent illness caused by ignorance of health requirements, the lack of the proper school buildings and school equipment, and the resulting tardy development of educational work conspired to drive a large percentage of the earlier teachers back to the United States before the first fruits of their efforts were realized. Beginning with 1903, the force has been placed upon a constantly firmer basis. It is anticipated that this improvement will be permanent. In this connection attention is invited to the following illustrative statement:

Number of permanent teachers appointed since organization of bureau, number of resignations, and number at present in the service.

Year.	Appointed.	In service.	Resigned.
1900.....	10	4	6
1901.....	1,061	92	969
1902.....	189	73	97
1903.....	207	94	113
1904.....	290	260	21
1905.....	261	261	.....
Total.....	1,998	792	1,206

THE FILIPINO TEACHER.

Recent complete data on the Filipino teachers were received from only 30 of the school divisions, reports from Bohol, Isabela, Cebú, Sámar, Benguet, and Lepanto-Bontoc not being received in time to be utilized in this report. The above 30 provinces reported upon 4,036 Filipino teachers, of whom 2,820 were men and 1,216 women. Of this entire number, 702 had had over three years of service as teachers in American schools, 518 had had 3 years of service, 792 2 years of service, and 1,502 only 1 year. Of this number, only 385

were school-teachers under the Spanish régime—that is, less than 10 per cent of the present Filipino teaching force is an inheritance from the Spanish period and more than 90 per cent have been trained by American teachers since the establishment of the public school system by the American Government. This is still further indicated by the fact that only 518 of the 4,036 teachers reported upon were graduates of Spanish secondary schools or held certificates from the Spanish Government authorizing them to teach.

The methods by which these Filipino teachers have been trained have been sufficiently described in previous reports. The main reliance is placed upon regular instruction throughout the year given by the supervising teachers and upon attendance upon the normal institute, which occurs some time during the school year. In spite of the inadequate preparation of this body of teachers prior to the American period their advance has been notable. Over three-fourths of them are reported as able to pass the examination for the completion of the primary course, and, although 1,045 are reported as still unable to accomplish this test, nearly every division superintendent has reported that during the present school year the attainments of Filipino teachers would be sufficiently raised so as to entirely eliminate this class from the teaching body.

For fuller information upon the Filipino teacher attention is invited to the appended provisional regulations governing his service, which is contained in the exhibit, and which summarizes most of the available data.

The success of the school system in the Philippines rests ultimately upon the success of the Filipino teacher, but the question of his competency is no longer in doubt.

SCHOOL BUILDINGS.

There are still standing 726 school buildings constructed in Spanish times. One hundred and five of these are of a very permanent nature, having stone walls and iron roofs. Almost without exception, however, they have dark and barn-like interiors, and it is found possible to use them only by partitioning them into class rooms of proper size and making other extensive alterations. The first buildings put up under American régime were of light construction—sauale walls and nipa roofs. The framework of these buildings in many instances will last for ten or fifteen years, but the siding and roofs will have to be replaced within perhaps five years. The last two years have seen tremendous increase in the number of these temporary buildings and have, moreover, marked the beginning of the construction of considerable numbers of structures of a very permanent type. To date the bureau of education has put up 1,697 school buildings; of these, 1,382 have sauale walls and nipa or grass roofs, and may be called temporary, though many of them have substantial frames, 235 have wood walls with nipa roofs, 37 have wood walls and iron or tile roofs, 34 have stone walls with nipa roofs, 9 have stone walls with iron or tile roofs, all of these latter being classed as permanent buildings. These statistics include only two of the buildings now under construction from the funds appropriated by act of the Commission, numbered 1275, from which amount the ultimate construction of 42 very substantial school edifices is contemplated. The total cost of these latter buildings, inclusive of the ₱350,000 appropriated by act above referred to, and the amounts appropriated from provincial funds or subscribed by private individuals will be no less than ₱645,700, exclusive of the value of extensive and well-located sites, which have in every case been supplied without cost to the insular government.

The completion of these secondary, intermediate, and trade buildings will mark a distinct advance. The people have shown a disposition to give willingly of their time and money to these ends, but the fact remains that the regular revenues of the bureau of education are altogether inadequate to decently and permanently house the public schools of the islands.

DAVID P. BARROWS,
General Superintendent of Education.

The SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

EXHIBITS TO THE ANNUAL REPORT OF THE GENERAL SUPERINTENDENT OF EDUCATION.

Number of schools in session in July, 1905.

Division.	Day.				Total.	Night. ^c	Total.
	Primary.	Inter- mediate. ^a	Second- ary. ^b	Techni- cal.			
Manila.....	32	6		1	39	22	61
Albay and Sorsogón.....	114	3			117	10	127
Ambos Camarines.....	60	3			63	2	65
Batangas.....	108	7	1		116	9	125
Bohol.....	183	1			184	7	191
Bulacán.....	112	4	1		117	15	132
Cagayán.....	69	2	1		72	2	74
Isabela.....	31	1			32	1	33
Cápiz ^d	5				5	6	11
Cavite.....	25	5	1		31	6	37
Cebú.....	124	1	1		126	13	142
Iloos Norte.....	91	1	1		93	3	96
Iloos Sur and Abra.....	173	4	1		178	10	188
Iloilo and Antique.....	96	16	1		113	14	127
La Laguna.....	89	7	1		97	13	110
La Unión ^d	2	2	1		5	9	14
Leyte.....	91	4	1		96	8	104
Marbato.....	27	2			29	4	33
Samar.....	33	2			35	5	40
Misamis.....	52	1			53	2	55
Nueva Ecija.....	64	5			69	6	75
Nueva Vizcaya.....	21	3			24		24
Negros Occidental.....	113	5	1		119	1	120
Negros Oriental.....	53	1	1		55	5	60
Pampanga and Bataan.....	149	4		2	155	7	162
Pangasinán.....	196	4	1		201	15	216
Rizal.....	84	4			88	11	96
Romblón.....	41	1	1		43	5	48
Surigao.....	33	1			34	5	39
Tarlac.....	52	2			54	10	64
Tayabas.....	79	4	1		84	7	91
Zambales.....	36	1			37	7	44
Mindoro.....	28	2			30	2	32
Benguet.....	2				2	2	4
Lepanto-Bontoc.....	14				14	1	15
Palawan.....	4	1	1		6		6
Moro.....	54	1			55		55
Manila Normal.....				1	1		1
Manila Trade.....				1	1	2	3
Manila Nautical.....				1	1		1
Total.....	2,540	114	17	6	2,677	247	2,924

^a Every school offering instruction in 4th, 5th, or 6th grades is here classed as an intermediate school.^b All provinces except Benguet, Lepanto-Bontoc, Mindoro, and Palawan have provincial schools. Only 17 of these are advanced to the stage where they are offering secondary instruction.^c Data for January, 1905. Schools discontinued January 31, 1905, because of shortage in appropriation.^d Normal Institute in session.

Number of schoolhouses, teachers, and enrollment and attendance for each division.

Division.	Number of school-houses.	Number of teachers.				Enroll-ment. ^{a,c}	Attend-ance. ^{b,c}
		Ameri-can.	Native.		Total.		
			Insu-lar.	Muni-cipal.			
Manila.....	31	52	.....	190	242	7,470	6,985
Albay and Sorsogón.....	110	31	7	191	229	17,734	9,806
Ambo Camarines.....	64	29	18	88	135	11,858	6,661
Batangas.....	106	26	8	152	186	14,844	8,973
Bohol.....	195	26	13	135	174	30,156	18,781
Bulacán.....	118	26	11	134	171	18,559	8,280
Cagayán.....	67	14	4	114	132	11,435	7,220
Isabela.....	31	5	2	47	54	4,577	2,890
Cápiz.....	92	25	11	127	163	23,478	16,796
Cavite.....	71	18	13	22	53	13,249	7,788
Cebú.....	214	37	6	156	199	31,223	16,592
Ilocos Norte.....	121	21	18	181	220	23,305	13,512
Ilocos Sur and Abra.....	231	30	11	250	291	31,455	18,894
Iloilo and Antique.....	118	51	15	230	296	28,466	16,945
La Laguna.....	105	26	11	167	204	17,145	9,447
La Unión.....	54	18	11	147	176	17,887	12,363
Leyte.....	92	28	5	120	153	17,627	12,678
Marabate.....	32	10	8	34	52	3,699	2,599
Samar.....	35	21	3	41	65	5,667	4,065
Misamis.....	95	16	6	105	127	4,126	2,222
Neuva Ecija.....	91	18	10	108	136	16,128	7,937
Nueva Vizcaya.....	19	6	5	35	46	2,579	1,924
Negros Occidental.....	113	28	14	168	210	19,428	11,976
Negros Oriental.....	67	19	8	147	174	11,363	6,519
Pampanga and Bataan.....	97	41	15	168	254	14,177	7,113
Pangasinán.....	238	46	16	265	357	43,678	24,882
Rizal.....	85	23	7	122	152	13,813	8,141
Romblón.....	18	9	4	40	53	4,845	2,983
Surigao.....	67	14	10	73	97	7,289	4,741
Tarlac.....	70	17	10	84	111	14,299	9,907
Tayabas.....	50	31	11	108	150	16,282	11,168
Zambales.....	35	13	7	61	81	6,313	4,925
Mindoro.....	38	6	4	40	50	4,415	2,679
Benguet.....	5	7	.....	.....	7	162	121
Lepanto-Bontoc.....	16	7	2	11	20	1,000	665
Palawan.....	8	5	.....	6	11	503	364
Moro.....	(d)	24	.....	65	89	3,100	1,800
Manila Normal.....	7	17	4	.....	21	553	380
Manila Trade.....	5	9	3	.....	12	145	139
Manila Nautical.....	1	5	.....	.....	5	97	92
Total.....	3,034	855	311	4,192	5,358	514,631	311,843

^a For the school year 1904-5.

^b For the month of March, 1905.

^c Exclusive of night schools and teachers' classes.

^d Moro division not reported.

Enrollment by grades, November, 1904.^a

Division.	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	Total.
Manila.....	5,053	1,845	561	321	160	81			8,021
Albay and Sorsogón.....	5,507	1,845	878	98	50	10			8,388
Ambos Camarines.....	5,379	1,949	645	337	141	37			8,388
Batangas.....	8,412	1,782	930	369	180	103			11,776
Bohol.....	21,975	3,511	1,015	89	27	12			26,329
Bulacán.....	7,289	4,089	1,142	229	108	69			12,926
Cagayán and Isabela.....	5,314	2,672	609	229	335	25	(b)	(b)	11,884
Cápiz.....	7,089	2,227	656	139	25				10,136
Cavite.....	9,145	2,578	1,033	270	34	50	16		13,126
Cebu.....	18,100	3,261	981	279	52	27	20		22,720
Ilocos Norte.....	16,329	2,023	861	197	144	54	33	13	19,954
Ilocos Sur and Abra.....	14,162	6,019	2,384	555	307	118	35	23	23,603
Iloilo and Antique.....	7,088	5,761	3,474	1,521	614	374	186	35	19,053
La Laguna.....	6,397	3,415	2,389	389	179	52	25		12,846
La Unión.....	7,176	3,186	1,317	234	54	27			11,994
Leyte.....	8,356	2,350	685	141	18	42			12,102
Masbate.....	1,436	899	425	140	20				2,920
Samar.....	1,448	718	418	17	19				2,620
Misamis.....	2,364	516	130	75					3,085
Nueva Ecija.....	6,593	2,506	1,011	315	83	31			10,539
Nueva Vizcaya.....	1,431	460	162	28	33	16			2,130
Negros Occidental.....	5,249	3,658	1,144	183	22	12	15		10,283
Negros Oriental.....	7,963	1,506	465	40	31	28			10,033
Pampanga and Bataan.....	6,018	2,646	1,044	294	58	16			10,076
Pangasinán.....	14,285	3,365	1,066	296	122	16			19,150
Rizal.....	4,972	1,938	820	143	76	61			8,010
Romblón.....	2,466	698	579	28	40	20			3,831
Surigao.....	5,065	1,095	460	125	20	13			6,778
Tarlac.....	5,247	976	512	79	35	30			6,879
Tayabas.....	12,526	3,089	1,007	294	145	82			17,143
Zambales.....	2,118	970	417	54	24	14			3,597
Mindoro.....	1,316	785	95	12					2,708
Benguet.....	136	25	19						180
Lepanto-Bontoc.....	547	83	41						671
Palawan.....	230	95	58	20	8				411
Moro.....	2,128	513	175	2					2,818
Manila Normal.....	29	33	28	99	91	86	49	17	432
Manila Trade.....			47	65	18	16			146
Manila Nautical.....						43	45	33	121
Total.....	240,238	75,087	29,693	7,706	2,973	1,565	424	121	357,807

^a Exclusive of night schools.^b These two divisions were combined in November, 1904.

*Provincial high schools.**

Province.	Town.	Principal.	Teachers.			Enroll-ment.	At-tend-ance.
			A.	F.	T.		
Albay	Guinobatan	William Able	3	1	4	135	130
Sorsogón	Sorsogón	S. W. Ford	5		5	163	122
Ambos Camarines	Nueva Caceres	Harry E. Tash	4		4	115	97
Batangas	Batangas	H. C. Theobald	6		6	210	199
Bohol	Tagbilaran	T. O. Rinker	4		4	80	71
Bulacán	Balluag	W. W. Pettit	6		6	204	179
Cagayán	Tuguegarao	A. L. Burnell	7		7	539	323
Isabela	Iligan	Seward W. Hulse	4		4	186	94
Cápiiz	Cápiiz	C. E. Wright	7	1	8	204	121
Cavite	Cavite	S. K. Mitchell	8	1	9	240	180
Cebú	Cebú	J. V. Barrow	10		10	405	252
Ilocos Norte	Laoag	D. G. Gunnell, acting	7	1	8	267	255
Ilocos Sur	Vigan	C. B. Farrow, acting	7		7	164	125
Abra	Bangued	C. B. Dickinson	4		4	178	133
Iloilo	Iloilo	C. H. Maxson	15		15	488	434
Antique	San José	J. D. De Huff	5		5	166	137
La Laguna	Pagsanjan	R. H. Neely	8	2	10	242	238
La Unión	San Fernando	Jas. D. Barry, acting	7	1	8	252	226
Leyte	Tacloban	G. W. Satterthwaite	4		4	108	105
Masbate	Masbate	E. S. Shortess	4		4	124	96
Samar	Catbalogan	F. W. Abbott, acting	6		6	264	206
Misamis	Cagayán	T. H. Edwards, acting	5		5	256	256
Nueva Ecija	San Isidro	C. D. Schell	6		6	300	228
Nueva Vizcaya	Bayombong	H. S. Strasbaugh, acting	2		2	88	71
Negros Occidental	Bacolod	W. I. Chapman	7	1	8	310	284
Negros Oriental	Dumaguete	F. L. Hayford	4		4	135	120
Pampanga	San Fernando	J. W. Osborn, acting	6		6	269	251
Bataan	Balanga	E. N. Ellison	3		3	79	70
Pangasinán	Lingayén	T. D. Anglemeyer	9	2	11	443	337
Rizal	Pasig	W. J. Scruton	4		4	256	166
Romblón	Romblón	J. H. Jenkins	4	1	5	130	121
Surigao	Surigao	Elbert O. Parker, acting	4		4	187	104
Tarlac	Tarlac	G. M. Egan	5	1	6	234	213
Tayabas	Lucena	H. H. Balch	4	1	5	152	143
Zambales	Iba	W. A. Williams, acting	4	2	6	164	149
Moro	Zamboanga		2		2	42	28
Total			200	15	215	7,768	6,264

* Average for school year, 1904-5.

Report of school finances, fiscal year July 1, 1904, to June 30, 1905.

RECEIPTS.

Division.	Internal revenue.	One-fourth of 1 per cent land tax.	Appropriated from general fund.	Loaned from general fund.	Receipts from other sources.	Total receipts.
Manila			₱ 308,270.00			₱ 308,270.00
Albay and Sorsogón	₱ 315.86	₱ 64,336.00	1,432.23	₱ 121.26	₱ 164.50	66,369.94
Ambos Camarines ^a	3,000.00	35,485.83	2,000.00		2,000.00	42,485.83
Batangas	1,226.71	29,669.78	9,157.22		1,094.39	41,148.10
Bohol	3,821.59	5,646.94	2,430.90	1,135.70	42.09	13,077.22
Bulacín	3,395.68	70,971.66	2,000.00		2,500.00	78,867.34
Cagayán		22,665.80	8,743.88		26,475.96	57,885.64
Isabela	429.79	13,416.62			12,777.43	26,623.84
Cápiz	1,163.60	11,840.19			4,254.00	17,257.79
Cavite	799.48	23,404.72			8,322.22	32,526.42
Cebú	32,284.09	41,053.66	7,558.48		8,181.81	89,078.04
Ilocos Norte	1,357.21	13,701.27	2,628.35	15.58	16,967.28	34,596.69
Ilocos Sur and Abra	3,352.66	37,290.59	39,049.15		7.65	79,700.05
Iloilo and Antique	4,372.84	47,313.23	6,126.18	750.00	14,648.11	73,210.36
La Laguna		66,264.30	30.00	2,327.11	21,097.83	89,719.24
La Unión		20,187.24		1,500.00	1,331.92	23,019.16
Leyte	2,356.31	25,970.86	4,602.00		4,758.98	37,688.15
Masbate		7,783.40	42.58	59.60	282.80	8,168.38
Samar	4,006.21	13,583.46	1,000.00		1,100.00	19,691.67
Misamis	707.30	15,011.29	6,738.76			22,457.35
Nueva Ecija	2,014.34	31,181.80			11,971.90	45,168.04
Nueva Vizcaya			5,144.00			5,144.00
Occidental Negros	4,628.98	29,437.50	180.00			34,246.48
Oriental Negros		9,906.81		2,165.13	3,858.71	15,932.65
Pampanga and Bataan	1,327.26	82,276.26	5,518.06	1,432.01	13,324.64	103,878.23
Pangasinán		53,576.14	8,933.09		36,853.72	99,362.95
Rizal	2,266.33	31,871.18	20,055.85		24,036.96	78,230.32
Romblón	217.35	4,385.25	3,511.85			8,114.45
Surigao		7,264.39	1,407.02	75.93	8,832.79	17,590.13
Tárac	801.42	18,120.92		901.83	12,219.14	32,043.31
Tayabas	51.17	73,075.31	2,362.36	4,622.43	18,902.01	98,913.28
Zambales	898.89	7,034.28	477.46		702.58	9,113.21
Mindoro	610.16	14,219.97				14,830.13
Lepanto-Bontoc			2,039.28			2,039.28
Moro	38,786.00	32,321.00				71,107.00
Manila Normal ^b						
Manila Trade ^b						
Manila Nautical ^b						
Total	114,193.23	960,269.65	451,438.79	15,106.58	256,539.42	1,797,547.67

^a Estimates. Division superintendent failed to submit necessary table.

^b Supported by insular funds.

Report of school finances, fiscal year July 1, 1904, to June 30, 1905—Continued.

EXPENDITURES.

Division.	Construction and repairs to school buildings.	Rental of school buildings.	Salaries of teachers.	Purchase, construction, or repair of school furniture.
Manila.....			P299,990.26	P2,148.89
Albay and Sorsogon.....	P9,383.42		38,641.75	1,067.97
Ambos Camarines ^b	2,000.00	P2,000.00	20,500.00	1,500.00
Batangas.....	2,822.62	1,886.20	25,934.23	760.84
Bohol.....	548.32		7,101.76	130.59
Bulacán ^b	4,133.50	4,500.00	29,500.51	3,000.00
Cagayán.....	4,580.72	489.13	20,117.61	1,328.46
Isabela.....	1,503.75	551.35	1,169.23	36.50
Cápiz.....	1,735.94	385.25	8,043.68	179.11
Cavite.....	1,325.61	963.15	21,251.17	1,598.45
Cebu.....	23,218.19	5,825.00	36,664.07	7,292.39
Ilocos Norte.....	3,873.58	102.70	16,231.54	1,010.94
Ilocos Sur and Abra.....	24,559.58	1,343.83	30,564.26	1,215.50
Iloilo and Antique.....	9,296.81	1,966.06	36,878.70	1,786.99
La Laguna.....	1,158.32	1,990.49	44,080.36	4,946.66
La Unión.....		518.82	16,431.22	697.63
Leyte.....			21,974.57	
Masbate.....	388.35	8.00	4,145.90	104.58
Samar.....	5,120.00		8,427.50	2,000.00
Misamis.....	1,180.21		10,037.51	264.00
Nueva Ecija.....	12,172.67	512.73	11,649.94	1,362.51
Nueva Vizcaya.....	625.00	20.00	4,499.00	
Occidental Negros.....	1,613.00		26,262.52	310.00
Oriental Negros.....	2,086.75	182.33	11,720.36	32.50
Pampanga and Bataan.....	5,701.97	763.95	39,225.74	1,093.30
Pangasinán.....	P1,215.00	1,904.18	32,195.57	4,863.56
Rizal.....	6,606.78	3,932.29	35,614.26	2,222.55
Romblón.....	794.51		5,679.48	
Surigao.....	3,577.78	32.00	4,631.48	9.37
Tarlac.....	2,778.30	32.22	14,501.47	749.72
Tayabas.....	30,233.77	1,480.17	33,498.91	1,208.70
Zambales.....	1,370.09		6,903.19	113.20
Mindoro.....	4,302.12		6,742.82	237.60
Benguet ^c				
Lepanto-Bontoc.....	459.30		1,417.18	
Manila Normal ^d				
Manila Nautical ^d				
Manila Trade ^d				
Total.....	180,365.96	31,440.85	922,227.75	44,272.41

^a Including payment of office force and night-school teachers.^b Estimates. Division superintendents failed to submit necessary tables.^c No municipal expenditures.^d Supported by insular funds.

Report of school finances, fiscal year July 1, 1904, to June 30, 1905—Continued.

Division.	Transporta- tion.	Miscellane- ous.	Total expenditures.	Balance in treasury.
Manila		P 4,477.13	P 297,616.28	P 10,653.72
Albay and Sorsogón		6,584.76	55,677.90	10,692.04
Ambos Camarines ^a	P 200.00	500.00	26,700.00	15,785.83
Batangas	11.00	369.52	31,784.41	9,363.69
Bohol	70.05	114.17	7,964.89	5,112.33
Bulacán ^c	200.00	1,000.00	42,334.01	36,533.33
Cagayán	118.35	621.70	27,255.97	30,629.67
Isabela	84.10	28.95	3,373.88	23,249.96
Cápiz	108.50	410.55	10,803.03	6,394.76
Cavite	13.30	846.82	26,028.50	6,497.92
Cebu	574.18	887.91	74,461.74	14,616.30
Ilocos Norte	90.14	273.19	21,582.09	13,017.60
Ilocos Sur and Abra	27.00	287.37	57,997.54	21,702.51
Iloilo and Antique	167.66	727.57	50,843.79	22,366.57
La Laguna	219.64	959.56	53,354.93	36,364.31
La Unión		1,212.65	18,860.32	4,158.84
Leyte		6,441.59	28,416.16	9,271.99
Masbate	11.00	214.36	4,872.19	3,296.19
Samar			15,547.50	4,144.17
Misamis		1,377.53	12,859.25	9,596.10
Nueva Ecija	136.17	52.78	25,886.80	19,281.24
Nueva Vizcaya			5,144.00	
Occidental Negros		1,252.00	29,437.52	4,806.96
Oriental Negros	28.05	1.84	14,051.83	1,880.82
Pampanga and Bataan		2,070.85	48,855.81	55,022.42
Pangasinán			50,178.31	49,184.64
Rizal	119.35	682.75	49,178.98	29,051.34
Romblón		142.40	6,616.39	1,498.06
Surigao		1,239.54	9,490.17	8,069.96
Táralac	144.92	448.76	18,655.39	13,387.92
Tayabas	58.00	13,887.52	80,307.07	18,546.21
Zambales		205.98	8,592.46	520.75
Mindoro		594.47	11,877.01	2,953.12
Benguet ^b				
Lepanto-Bontoc	11.80	151.00	2,039.28	
Moro		71,107.00	71,107.00	
Manila Normal ^c				
Manila Nautical ^c				
Manila Trade ^c				
Total	2,393.21	119,172.22	1,299,872.40	497,675.27

^a Estimates. Division superintendents failed to submit necessary tables.

^b No municipal expenditures.

^c Supported by insular funds.

Report of school finances, fiscal year July 1, 1904, to June 30, 1905—Continued.

UNDISCHARGED OBLIGATIONS OF MUNICIPALITIES.

Division.	Salaries.	Miscellaneous.	Total.
Batangas.....	₱ 1,037.41	₱ 2,978.22	₱ 4,015.63
Bohol.....	2,437.36		2,437.36
Cagayán.....	1,623.45		1,623.45
Isabela.....	131.00		131.00
Cavite.....	2,053.07	1,003.53	3,056.60
Iloilo and Antique.....	8,286.31	1,710.31	9,996.62
Ilocos Norte.....	2,604.23	720.00	3,324.23
Ilocos Sur and Abra.....	6,386.54	73.39	6,459.93
La Laguna.....	1,545.47	129.00	1,674.47
La Unión.....	3,578.81	255.03	3,833.84
Masbate.....	427.00		427.00
Samar.....	2,638.28		2,638.28
Surigao.....	465.96	484.64	950.60
Tarlac.....	382.60		382.60
Zambales.....		317.48	317.48
Total.....	33,597.49	7,671.60	41,269.09

EXPENDITURES OF PROVINCES FOR PROVINCIAL SCHOOLS.

Province.	Rent.	Construction.	Janitor.	Other employees.	Incidentals.	Total.
Albay.....	₱ 720.00		₱ 180.00			₱ 900.00
Sorsogón.....	1,450.00					1,450.00
Ambos Camarines.....	840.00		140.00		₱ 200.00	1,180.00
Batangas.....	300.00	₱ 50.00	38.80		277.00	665.80
Bohol.....					2,570.14	2,570.14
Bulacán.....	504.00		80.00		16.00	600.00
Cagayán.....			144.00		856.00	1,000.00
Isabela.....	(a)	(a)	(a)	(a)	(a)	(a)
Cápiz.....					19.30	19.30
Cavite.....		860.00	200.00		540.00	1,400.00
Cebu.....	2,400.00	984.50	444.00		112.38	3,940.88
Ilocos Norte.....		354.28	120.00			474.26
Ilocos Sur.....		22,000.00	100.00		440.39	22,540.39
Iloilo.....	2,880.00		360.00	₱ 200.00		3,440.00
Antique.....	360.00		102.00	10.00		472.00
La Laguna.....	1,256.00		240.00	1,080.00	691.05	3,267.05
La Unión.....	547.40				588.02	1,135.52
Leyte.....	876.00				1,162.00	2,038.00
Masbate.....		2,400.00			600.00	3,000.00
Samar.....	300.00	400.00	144.00		1,776.00	2,620.00
Misamis.....	463.33	728.00	20.00		73.10	1,284.43
Nueva Ecija.....		12,237.00	54.00		250.00	12,541.00
Nueva Vizcaya.....	300.00		36.00			336.00
Negros Occidental.....	3,300.00			930.00	1,650.00	5,880.00
Negros Oriental.....				54.00	235.50	289.50
Pampanga.....	728.00		48.00	286.05		1,062.05
Batán.....	(b)	(b)	(b)	(b)	(b)	(b)
Pangasinán.....	1,697.84		324.00	1,261.33	150.04	3,433.21
Rizal.....					1,000.00	1,000.00
Romblón.....	(b)	(b)	(b)	(b)	(b)	(b)
Surigao.....	300.00	224.00			247.50	771.50
Tarlac.....		1,050.00			250.00	1,300.00
Tayabas.....	1,199.72				3,244.12	4,443.84
Zambales.....	300.00				103.00	403.00
Mindoro.....	(c)	(c)	(c)	(c)	(c)	(c)
Benguet.....		814.57			1,430.76	2,045.33
Lepanto-Bontoc.....	(c)	(c)	(c)	(c)	(c)	(c)
Palawan.....	(c)	(c)	(c)	(c)	(c)	(c)
Moro.....	3,800.00	5,700.00	552.00		1,163.20	11,215.20
Total.....	24,522.39	27,602.33	3,326.80	3,821.38	19,645.50	98,718.40

a Not reported.

b No money expended by province.

c No provincial school.

Provincial high schools—Continued.

DONATIONS FOR SCHOOL PURPOSES.

Division.	Money.	Land.	Material.	Labor.	Total.
Albay and Sorsogón.....	P 22,000.00		(a)	P 15,680.00	P 37,680.00
Ambos Camarines.....	1,994.00	P 50.00	P 75.00	55.00	2,174.00
Batangas.....	100.00		45.00	45.00	190.00
Bohol.....	713.50		(a)	14,315.20	15,028.70
Bulacán.....		1,000.00	1,500.00	1,000.00	3,500.00
Cagayán.....		280.00	4,250.00	4,060.00	8,580.00
Isabela.....				808.00	808.00
Cápiz.....	3,500.00	2,000.00	4,000.00	3,000.00	12,500.00
Cavite.....	500.00	1,200.00	800.00	500.00	3,000.00
Cebú.....		250.00	1,250.00	800.00	2,300.00
Ilocos Norte.....				100.00	100.00
Ilocos Sur and Abra.....	3,089.00			675.00	3,764.00
Iloilo and Antique.....		2,000.00	2,500.00	2,683.00	7,183.00
La Unión.....	1,200.00		600.00	1,800.00	3,600.00
Leyte.....	4,070.00		2,450.00	5,085.00	11,605.00
Masbate.....	1,180.00	500.00	310.65		1,990.65
Samar.....	500.00			7,000.00	7,500.00
Nueva Ecija.....			2,500.00	3,675.00	6,175.00
Negros Occidental.....	520.00	1,800.00	1,800.00	360.00	4,480.00
Pampanga and Bataan.....	2,453.60	4,780.00	1,466.00	805.00	9,504.60
Pangasinán.....		5,300.00	5,950.00	10,000.00	21,250.00
Rizal.....	1,000.00	1,300.00		1,000.00	3,300.00
Romblón.....		8,000.00	10,000.00	4,500.00	22,500.00
Surigao.....	6,039.09	258.00		2,000.00	8,297.09
Tárlac.....	1,565.00	550.00	2,710.00	6,465.00	11,290.00
Tayabas.....			1,500.00	13,000.00	14,500.00
Zambales.....	1,135.74	70.00	657.75	1,159.80	3,023.29
Lepanto-Bontoc.....			200.00	200.00	400.00
Palawan.....		500.00	200.00		700.00
Misamis.....		330.00	2,664.00	3,071.00	6,065.00
Total.....	51,559.93	30,168.00	47,428.40	103,832.00	232,988.33

a Included in labor.

Positions provided for by law and actual number of appointees September 1, 1905.

AMERICAN TEACHERS.

Salary.	Number allowed.	Regular appointees.	Temporary appointees.
\$2,000 class.....	3	1	
\$1,800 class.....	8	4	1
\$1,600 class.....	10	13	
\$1,500 class.....	50	51	
\$1,400 class.....	80	70	
\$1,300 class.....	60	47	
\$1,200 class.....	350	297	4
\$1,100 class.....	50	88	
\$1,000 class.....	137	100	4
\$900 class.....	113	121	54
Total.....	861	792	63

NATIVE INSULAR TEACHERS.

\$600 class.....	14	7	1
\$540 class.....	20		
\$480 class.....	20	18	
\$420 class.....	20	13	
\$360 class.....	20	36	
\$300 class.....	40	53	5
\$270 class.....		2	
\$240 class.....	160	100	20
\$210 class.....		1	
\$200 class.....			2
\$180 class.....		12	40
\$120 class.....		1	
Total.....	a 294	243	68

a Exclusive of the 16 Ilocanos at \$10 and the 16 Tinguianes at \$6 per month, allowed by Act No. 1225.

NOTE.—The law provides that two or more appointments to a lower salary class may be made in lieu of one appointment to a higher salary class. The number of appointments allowed has therefore not been exceeded.

Absences in teaching force on account of illness for the period from January 1, 1904, to July 31, 1905.

	1904.	Days.		1905.	Days.
January.....		449	January.....		319
February.....		286	February.....		210
March.....		323	March.....		304
April.....		a 94	April.....		a 4
May.....		a 34	May.....		0
June.....		162	June.....		384
July.....		426	July.....		391
August.....		352			
September.....		380	Total.....		5,295
October.....		491			
November.....		394			
December.....		292			

a Vacation.

Average absence per teacher for entire insular teaching force, three days per year.

Record of absences during vacation covers, of course, only teachers held on special duty.

Deaths of American teachers, by calendar years.

Date.	Name.	Cause.
1901.		
Sept. 22	W. S. Davis.....	Acute nephritis.
1902.		
Jan. 1	Ira A. Collins.....	Drowned.
May 2	L. C. Guernsey.....	Diphtheria.
May 31	Robert R. Jamison.....	Cholera.
June 10	C. O. France.....	Killed by ladrones.
June 10	Ernest Heger.....	Do.
June 10	L. A. Thomas.....	Do.
June 10	J. A. Wells.....	Do.
June 23	Dorothy Conant.....	Cholera.
June 8	F. C. Osborn.....	Dysentery.
July 7	Harry W. Nash.....	Cerebral hemorrhage.
July 7	R. Zumstein.....	Cholera.
July 21	A. A. Crawford.....	Pneumonia.
Aug. 1	W. H. Badger.....	Cholera.
Aug. 6	Herbert Lucker.....	Do.
Oct. 31	D. C. Montgomery.....	Killed by ladrones.
Nov. 14	J. B. Kirkpatrick.....	Cholera.
1903.		
Jan. 1	Mae I. Ross.....	Amoebic dysentery.
Jan. 24	O. K. Osborn.....	Killed by ladrones.
Feb. 19	Walter R. Mathews.....	Suicide.
Apr. 29	Joseph E. Allen.....	Smallpox.
Apr. 7	Price W. Cooper.....	Do.
July 3	R. P. Walker.....	Do.
July 7	Walter Gilliam.....	Do.
July 24	Marian M. Lutz.....	Sequelæ of cholera.
Aug. 15	J. J. O'Donnell.....	Cholera.
Aug. 22	Josephine Baugh.....	Do.
Sept. 9	Clara M. Bennett.....	Smallpox.
Sept. 28	Daisy M. Vogel.....	Typhoid fever.
Oct. 10	P. M. Gravatt.....	Smallpox.
1904.		
Feb. 9	Grace D. McGrew.....	Drowned.
Feb. 9	B. J. McGrew.....	Do.
Feb. 12	Della C. George.....	Acute nephritis.
Mar. 26	Loula K. Corley.....	Smallpox.
Apr. 12	G. V. Yonce.....	Killed (fall from porch).
July 18	Lizette Richardson.....	Dysentery.
Aug. 15	H. H. Brown.....	Suicide.
Sept. 24	Fannie Christensen.....	Dysentery with resulting complications.
1905.		
Feb. 15	Charles W. Johnson.....	Drowned.
June 19	Ruth H. Daniels.....	Acute encephalitis.
Sept. 4	Harvey Engle.....	Smallpox.

Deaths of American teachers, by calendar years—Continued.

SUMMARY.

Year.	Deaths.	Male.	Female.
1901.....	1	1	.....
1902.....	16	15	1
1903.....	14	9	5
1904.....	8	3	5
1905.....	3	2	1
Total.....	42	30	12
Epidemic diseases:			
Smallpox.....			9
Cholera.....			9
			18
Endemic diseases:			
Dysentery.....			4
Typhoid.....			1
Nephritis.....			2
			7
Violent deaths:			
Killed.....			6
Drowned.....			4
Suicide.....			2
Fall.....			1
			13
Unclassified:			
Brain diseases.....			2
Pneumonia.....			1
Diphtheria.....			1
			4
Total.....			42

It is noted that 42 deaths have occurred among a total of 1,998 different persons employed during the five years of the existence of the bureau of education. Attention is invited to the marked decrease in fatalities in successive years, due, doubtless, to the fact that teachers are becoming more familiar with the proper methods of living in the tropics.

Supervisory force of the bureau of education.

Office.	Name.	Salary.
General superintendent.....	David P. Barrows.	\$6,000
Deputy general superintendent.....	Gilbert N. Brink.	3,000
Assistant to the general superintendent.....	Frank R. White.	2,400
City superintendent of Manila.....	G. A. O'Reilly.	3,000
Division superintendent of—		
Albay and Sorsogón (acting).....	G. W. Caulkins.	.....
Ambos Camarines.....	F. L. Crone.	1,800
Batangas.....	H. H. Buck.	2,000
Bohol.....	L. T. Glibbens.	1,800
Bulacán.....	H. A. Bordner.	1,600
Cagayán.....	J. J. Coleman.	1,600
Cápiz.....	E. A. Coddington.	1,800
Cavite.....	S. A. Campbell.	1,800
Cebu.....	Samuel MacClintock.	2,250
Ilocos Norte.....	Guy Van Schalek.	1,800
Ilocos Sur and Abra.....	C. H. Magee.	1,800
Iloilo and Antique.....	J. A. Gammill.	1,800
Laguna.....	W. W. Rodwell.	2,250
Unlón (acting).....	Wm. E. Rosenkrans.	.....
Leyte.....	J. L. Fiske.	1,600
Masbate (acting).....	G. W. Moore.	.....
Samar (acting).....	C. L. Hoover.	.....
Misamis (acting).....	E. J. Albertson.	.....
Nueva Ecija.....	T. W. Thomson.	2,000
Nueva Vizcaya.....	N. G. Conner.	1,600
Occidental Negros.....	C. E. Putnam.	2,250
Oriental Negros.....	J. E. Corley.	1,600
Pampanga and Bataan.....	G. N. Briggs.	1,800
Pangasinán.....	E. G. Turner.	2,500
Rizal.....	B. G. Bleasdale.	1,600
Romblón.....	G. E. Walk.	1,800
Surigao (acting).....	C. M. Moore.	.....
Tarlac.....	W. A. Wedgworth.	1,600
Tayabas (acting).....	R. H. Wardall.	.....
Zambales.....	Otho Atkin.	1,800
Isabela (acting).....	H. M. Wagenblass.	.....

* Division superintendent at \$2,500 per year; receives \$500 extra for special duty.

Supervisory force of the bureau of education—Continued.

Office.	Name.	Salary.
Government and division superintendent of—		
Mindoro.....	R. S. Offley.....	
Benguet.....	W. A. Pack.....	
Lepanto-Bontoc.....	Wm. A. Reed.....	
Palawan.....	E. Y. Miller.....	
Division superintendent of Tayabas.....	J. C. Muerman ^a	\$2,250
	H. E. Bard ^b	2,250
Division superintendent of—		
Albay.....	E. E. Fisher ^a	2,000
Masbate.....	C. H. Hanlin ^a	1,600
Samar.....	H. S. Townsend ^a	2,500
Superintendent Philippine normal school.....	G. W. Beattie.....	3,000
Superintendent Philippine school of arts and trades.....	J. J. Eaton.....	2,250
Superintendent of the Moro Province.....	N. M. Saleeby.....	(^c)

^a On leave.^b On leave, unassigned^c Salary from local funds.*School buildings owned and rented by government.*

Division.	Number furnished rent free.	Leased build-ings.		Owned by government ⁺					Estimated present value.
		Number.	Total monthly rental.	Built.				Total number owned.	
				Spanish times.	Between 1898 and 1903.	1904.	1905.		
Manila.....		26	\$4,500	4	1			5	\$138,296
Albay.....	8	18	445	13	3	6	22	44	108,429
Sorsogón.....	3	8	256	6	7	6	10	29	75,200
Ambos Camarines.....	4	7	166	22	7	23	1	53	55,601
Batangas.....		4	77	7	17	74	6	104	107,949
Bohol.....	5	1	10	41	78	55	15	189	111,629
Cagayán.....	10	7	102	24	3	11	12	50	36,882
Bulacán.....	51	39	396	10	7	3	8	28	68,060
Cápiz.....	13	4	38	22	14	11	28	75	90,067
Cebú.....	14	29	620	82	43	45	1	171	55,348
Cavite.....		1	20	5	11	49	5	70	52,573
Iloocos Norte.....				19	7	91	4	121	87,591
Iloocos Sur.....	4	6	175	47	25	53	25	150	188,950
Abra.....	2			10	1	28	30	69	12,639
Iloilo.....	6	2	280	28	17	19	19	83	51,899
Antique.....	7	5	32	8	3	2	2	15	8,817
Laguna.....	11	14	216	13	8	54	5	80	74,020
Unión.....	2	3	90	10	4	30	5	49	30,719
Leyte.....	3	1	25	41	19	14	14	88	81,726
Masbate.....		1	5	9	17		5	31	10,589
Samar.....	2	1	30	20	7	5		32	41,950
Misamis.....	4	1	3	56	13	8	13	90	42,793
Nueva Ecija.....	43	5	38	13	11	14	5	43	57,835
Nueva Vizcaya.....				10	8	1		19	6,535
Negros Occidental.....	58	3	275	17	14	16	5	52	41,957
Negros Oriental.....	9	6	33	31	18	3		52	34,482
Pampanga.....	22	9	120	12	23	11	7	53	46,947
Bataan.....	1	2	3	9	1			10	54,500
Pangasinán.....	19	23	408	29	24	22	121	196	102,650
Rizal.....	9	35	378	19	2	5	15	41	94,871
Romblón.....				6	1	6	5	18	32,350
Surigao.....				30	22	19	16	87	51,970
Tárlac.....	1	3	18	8	13	7	38	66	70,055
Tayabas.....		6	143	15	17	11	1	44	209,000
Zambales.....	3	6	54	2	3	17	4	26	10,303
Mindoro.....				2	5	27	4	38	25,253
Benguet.....					1		4	5	9,200
Lepanto-Bontoc.....		1	5	7		2	6	15	8,475
Palawan.....				7	1			8	13,500
Isabela.....	10	8	77	4	1	6	2	13	12,900
Nautical School.....		1	100						
Normal School.....		1	250	5			1	6	160,560
School of Arts and Trades.....				3	2			5	8,000
Total.....	324	287	9,368	726	479	754	464	2,423	2,553,050

Primary, intermediate, and secondary school buildings.

Division.	Class of school.				Number not owned by government.	Number owned by government.	Total.
	Primary.		Intermediate.	Secondary high school.			
	Central.	Barrio.					
Manila	22	.....	8	1	26	5	31
Albay	25	44	.....	1	26	44	70
Sorsogón	18	21	.....	1	11	29	40
Amboe Camarines	19	42	1	2	11	53	64
Batangas	20	83	2	3	4	104	108
Bohol	40	154	.....	1	6	189	195
Cagayán	27	40	.....	.....	17	50	67
Bulacán	16	99	2	1	90	28	118
Cápiz	21	70	1	.....	17	75	92
Cebú	58	155	.....	1	43	171	214
Cavite	12	59	.....	.....	1	70	71
Ilocos Norte	18	101	1	1	.....	121	121
Ilocos Sur	29	128	1	2	10	150	160
Abra	21	50	.....	.....	2	69	71
Iloilo	19	71	.....	1	8	83	91
Antique	12	14	.....	1	12	15	27
Laguna	27	77	1	.....	25	80	105
Unión	16	36	.....	2	5	49	54
Leyte	40	52	.....	.....	4	88	92
Masbate	14	17	.....	1	1	31	32
Samar	24	11	.....	.....	3	32	35
Misamis	16	79	.....	.....	5	90	95
Nueva Ecija	16	73	1	1	48	43	91
Nueva Vizcaya	7	11	.....	1	.....	19	19
Negros Occidental	25	86	.....	2	61	52	113
Negros Oriental	23	43	.....	1	15	52	67
Pampanga	20	62	2	.....	31	53	84
Bataan	7	5	1	.....	3	10	13
Pangasinán	38	194	1	5	42	196	238
Rizal	18	65	1	1	44	41	85
Romblón	3	15	.....	.....	.....	18	18
Surigao	21	66	.....	.....	.....	87	87
Tárlac	11	56	2	1	4	66	70
Tayabas	33	14	.....	3	6	44	50
Zambales	10	25	.....	.....	9	26	35
Mindoro	8	30	.....	.....	.....	38	38
Benguet	5	.....	.....	.....	.....	5	5
Lepanto-Bontoc	12	4	.....	.....	1	15	16
Palawan	8	.....	.....	.....	.....	8	8
Isabela	9	22	.....	.....	18	13	31
Nautical School .....	.....	.....	.....	1	1	.....	1
Normal School .....	.....	.....	.....	7	1	6	7
School of Arts and Trades .....	.....	.....	.....	5	.....	5	5
Total	788	2,174	25	47	611	2,423	3,034

Construction of walls and roofs of school buildings owned by government.

Division.	Built during Spanish rule.					Built since American occupation.					
	1-A.	1-B.	2-A.	2-B.	Total.	1-A.	1-B.	2-A.	2-B.	3-B.	Total.
Manila.....	2		2		4			1			1
Albay and Sorsogón.....	4	3	4	8	19	3	3	1	11	36	54
Ambos Camarines.....		4	1	17	22				11	20	31
Batangas.....	4	2		1	7		3	1	5	88	97
Bohol.....	1	16		24	41		10		10	128	148
Bulacán.....	4		2	4	10			3	3	12	18
Cagayán.....				24	24				6	20	26
Cápiz.....	6	4		12	22		2		4	47	63
Cavite.....	2		3		5				4	61	65
Cebu.....		13	3	66	82		1		21	67	89
Ilocos Norte.....	7	7		5	19			1	1	100	102
Ilocos Sur and Abra.....	17	16		24	57	1	7		8	146	162
Iloilo and Antique.....	12		21	3	36			2	4	56	62
La Laguna.....	9		3	1	13	1		1	6	59	67
La Unión.....	4	6			10		1		1	37	39
Leyte.....	4	4		33	41			5	14	28	47
Masbate.....				9	9					6	16
Samar.....		2	1	17	20			1	1	10	12
Misamis.....			1	55	56				11	23	34
Nueva Ecija.....			6	7	13			2		28	30
Nueva Vizcaya.....	1			9	10				2	7	9
Negros Occidental.....	1		2	14	17				13	2	35
Negros Oriental.....	6	4		21	31		1			20	21
Pampanga and Bataan.....	3	4	3	11	21	1	2		13	26	42
Pangasinán.....	3	2	1	23	29			3	7	157	167
Rizal.....	5		9	5	19	1		1	9	11	22
Romblón.....		3		3	6				6	6	12
Surigao.....	1	6		23	30	2	3		10	42	57
Tárlac.....	1			7	8			1	4	53	58
Tayabas.....	3		4	8	15		1	6	8	14	29
Zambales.....				2	2					24	24
Isabela.....			2	2	4				4	5	9
Mindoro.....				2	2			2	22	12	36
Benguet.....								3	3		5
Lepanto-Bontoc.....		2		5	7				8		8
Palawan.....	1	2	1	3	7					1	1
Normal School.....	3		2		5			1			1
Trade School.....	1		2		3			2			2
Nautical School.....											
Total.....	105	100	73	448	726	9	34	37	235	1,382	1,697

KEY: 1—Stone walls. 2—Wood walls. 3—Bamboo or saualé walls.
A—Iron, tile or wood roof. B—Nipa or cogon grass roof.

The following table shows the proposed apportionment of ₱350,000 appropriated by the Commission from government relief fund for the construction of school buildings:

Province.	Purpose of building.	Location.	Apportionment.	Local funds.
Albay.....	Secondary and trade.....	Albay.....	₱8,000	₱30,000
Sorsogón.....	Secondary.....	Sorsogón.....	12,000	22,000
Bohol.....	.....do.....	Tagbilaran.....	10,000	17,000
Cagayán.....	Trade school.....	Tuguegarao.....	8,000	4,000
Bulacán.....	Secondary.....	Malolos.....	8,000	22,000
Cápiz.....	Trade school.....	Cápiz.....	8,000	4,000
Cebú.....	Trade, intermediate, and secondary.....	Cebú.....	32,000	19,000
Cavite.....	Intermediate.....	Indang.....	9,888	1,000
Ilocos Sur.....	Trade school.....	Vigan.....	8,000	4,000
Iloilo.....	Trade, intermediate, and secondary.....	Iloilo.....	32,000	19,000
Antique.....	Secondary.....	San José de Buena Vista.....	6,000	3,000
La Laguna.....	.....do.....	Pagadian.....	10,000	10,000
La Unión.....	.....do.....	San Fernando.....	12,000	20,000
Leyte.....	Trade school.....	Tacloban.....	10,000	2,000
Masbate.....	Secondary.....	Masbate.....	8,000	4,000
Misamis.....	Intermediate.....	Cagayán.....	8,000	4,000
Nueva Ecija.....	Secondary and trade.....	Cuyapo.....	8,000	2,000
Occidental Negros.....	Trade school.....	Bacolod.....	8,000	4,000
Oriental Negros.....	Secondary and trade.....	Dumaguete.....	8,000	20,000
Pampanga.....	.....do.....	Bacolor and San Fernando.....	12,000	15,500
Bataan.....	Intermediate.....	Balanga.....	6,000	5,000
Pangasinán.....	Trade school.....	Lingayén.....	8,000	4,000
Rizal.....	Intermediate and trade.....	Pasig, Morong, and Malabón.....	9,360	7,500
Romblón.....	Secondary.....	Romblón.....	8,000	13,500
Surigao.....	.....do.....	Surigao.....	16,000	11,000
Tárlac.....	Trade and intermediate.....	Tárlac and Camiling.....	10,000	8,000
Tayabas.....	Secondary.....	Lucena.....	12,000	4,000
Zambales.....	Intermediate.....	Iba.....	10,000	4,700
Benguet.....	Industrial.....	Baguio.....	6,000	.....
Mindoro.....	Trade school.....	Calapan.....	5,000	.....
Paragua.....	Intermediate.....	Palawan.....	4,000	8,000
Isabela.....	.....do.....	Iligan.....	10,000	3,500
Total.....			330,248	295,700

Balance, ₱19,752 unassigned.

Large contributions of labor and materials are not included in the local funds.

Ample sites are in every case provided without expense to the insular government.

TYPICAL PLANS OF SCHOOL BUILDINGS PREPARED BY THE ARCHITECT OF THE BUREAU AND APPROVED BY THE GENERAL SUPERINTENDENT.

1. Buildings and grounds of the Provincial High School at Batangas. The large central recitation building is now nearing completion. Erected from funds appropriated by the Commission, ₱50,000, Act No. 775, as a refund to the province of Batangas of profits from government sale of rice during reconcentration period.

2. Model Filipino house, designed as a feature of intermediate and secondary school plants. Has not yet been constructed on this plan at any point, but domestic science and dormitory buildings of similar purpose have been opened in connection with several provincial high schools.

3. Wood and metal working shops for provincial school. This building or a modification of it is to be erected in connection with the provincial schools of the provinces of Ilocos Sur, Cagayán, Cápiz, Cebú, Iloilo, Occidental Negros, Pangasinán, Tárlac, and possibly Leyte; the erection of the building at these points is made possible by the apportionment of amounts from this office from the ₱350,000 fund appropriated by Act No. 1275. It is probable that the building will be put up later at a number of other provincial capitals.

4. Industrial school building at Apalit, Pampanga. The building has been completed and school is in operation.

5. Barrio school, typical of hundreds of buildings that have been erected during the past three years in nearly all provinces of the archipelago.

6 and 7. Intermediate school buildings and grounds. Plant to be composed of (a) a central recitation building, (b) shop building, (c) model Filipino house for teaching housekeeping, (d) nipa houses for accommodation of students (to be erected in all cases at expense of individual benefactors). The central recitation building of this plant are all in process of erection or will soon be begun at Balanga, Bataán; Indang, Cavite; Cebú, Iloilo; Ilagan, Isabela; Cuyapo, Nueva Ecija; Cagayán, Misamis (for the use of provincial school); Cuyo, Palawan; Camiling, Tárlac, and Iba, Zambales (for use of provincial school).

8. Industrial school for Igorrote boys at Cervantes, Lepanto, in course of erection.

9. Central provincial high school building. This building or a modification of it to be erected at Dumaguete, Oriental Negros; Lucena, Tayabas; possibly Tagbilaran, Bohol; Cebú, Iloilo; San Fernando, La Unión, and San Fernando, Pampanga.

10. Science Hall, a building of the provincial high school group, erection of which has not yet been undertaken at any point.

11, 12, 13, 14, and 15. Provincial high school building now in process of construction at Sorsogon.

16. Industrial school for girls, Bua, Benguet, building completed at cost of ₱3,000.

17, 18, 19, and 20. Provincial school building now in course of construction at Malolos, Bulacan.

21. Industrial school building at Calapán, Mindoro, now in course of construction. This building or a modification of it will be put up in connection with the high school plants of all the smaller provinces.

22. Teachers' training school building, to be erected on the exposition grounds, Manila, as part of the plant of the Philippine Normal School. Funds have been appropriated by the Commission.

23. Domestic science buildings to be erected on exposition grounds, Manila, as part of the plant of the Philippine Normal School. Funds have been appropriated by the Commission.

24 and 25. American High School building to be erected in Manila. Funds have been appropriated by the Commission but the erection of this building will probably be delayed by reason of the fact that this school at the present time is housed in a satisfactory manner.

CONGRESSIONAL RELIEF RICE USED IN THE CONSTRUCTION OF SCHOOL BUILDINGS.

By Act of the Philippines Commission No. 786, as amended by Act No. 814, \$250,000 United States currency was appropriated from the original \$3,000,000 Congressional relief fund and made available for the maintenance of the people in the afflicted provinces of these islands during the long extended drought of the fall of 1903 and the spring of 1904. In view of the fact that the main necessity was that of relieving the people from hunger and tiding them over until they could reap the next harvest, the exhaustive scheme which was devised by the Commission of converting a large part of the fund to be so used into actual food products and have it issued to the people under the direction of the government, seemed to be a favorable chance for this bureau to cooperate with much benefit, so the idea was eagerly adopted and received the hearty support of the general field force. Inasmuch as rice is the main food of the inhabitants of these islands, a large part of this sum was expended in purchasing rice, which became known as the "Congressional relief rice."

It was thought not to be advantageous or wise to make free distribution of this rice, but to issue it as a sort of wage to laborers and for the maintenance of their families while they were engaged in the improvement or construction of public property. With this in view, and due to the fact that nearly every province in the archipelago was in sore need of public schoolhouses, a considerable amount of this rice was made available for the construction of new and the repair of old buildings to be used for school purposes. Not all provinces were in a position to use rice in this way, either from the fact that the drought had not visited that particular section or the people were not eager to adopt the method of distribution. However, those provinces which did avail themselves of the opportunity of obtaining this free rice, loaned their services most zealously and most satisfactory results were obtained, as shown by the following extracts and reports from the division superintendents:

"BATANGAS, P. I., June 30, 1904.

"Thanks to the supply of rice furnished this province, some 4,481 sacks of which were expended in construction of schoolhouses, in only a few instances has it been necessary to rent buildings.

"The object of the appropriation was nominally to relieve the famine sufferers by providing employment for those who wished to work. Actually there was very little real hunger in the province. The corn crop planted after the disappearance of the grasshoppers, together with the squashes and other vegetables raised, relieved whatever danger there might have been from this source. So the problem was resolved into that of getting as much benefit as possible from the appropriation.

"The amount offered was ample to build quite substantial houses and the specifications were sufficiently strict in regard to material, etc., but the results at first were far from satisfactory. The buildings were ill constructed and the materials were often of an inferior quality. Some of the schoolhouses required expensive repairs within one year from the date of construction.

"With this data as a guide an attempt was made to avoid as much as possible former mistakes. It was thought that if the people of the barrio where the schoolhouse was to be built could be directly interested in the project much better results might be attained. The people are the only persons directly benefited by properly constructed schoolhouses and the ones to suffer if the work is not well done; so it follows that they are the persons best fitted to take charge of the undertaking. In order to arouse this local interest and incidentally to increase the benefit from the appropriation, the number of sacks given to complete the work was purposely placed below the amount necessary to pay for the material and labor, and the barrios where houses were needed were given an opportunity to contribute the difference. With very few exceptions the barrios accepted the conditions offered.

"Plans and specifications for three different classes of buildings, seating respectively 70, 100, and 150 children were prepared in the office of the provincial supervisor and sent to the different towns, together with a list of the barrios where it was thought schoolhouses were needed, and the municipal councilmen, as representatives of the barrios, were asked if they were willing to take charge of the work. In the greater part of the province the conditions were accepted, and some 50 barrio schoolhouses have been constructed in this manner. In some few towns it was necessary to put the work in the hands of a contractor. Where this was done the average cost was at least one-third more and the results were practically the same.

"In reviewing the subject there are certain observations based on experience that I might make. The practice of giving out rice in payment of labor and material under the conditions that existed in Batangas Province is a very expensive one for the government. Not only does rice deteriorate very rapidly in value when stored in the warehouses but the prices are continually fluctuating and contractors hesitate to receive this article in payment for work unless a wide margin is allowed for this possible loss. Often, also, the contractors are merely foremen or intelligent workmen who have never had experience in commercial dealings, consequently are more or less at the mercy of the merchants, in disposing of the rice.

"Substantial buildings have been erected or are under the process of construction in the towns of Bauan, Balayán, Rosario, and Ibaan. In Taal repairs are being made in the central school. Contracts are also let for the construction of a large building in Lemery to accommodate the primary and intermediate schools.

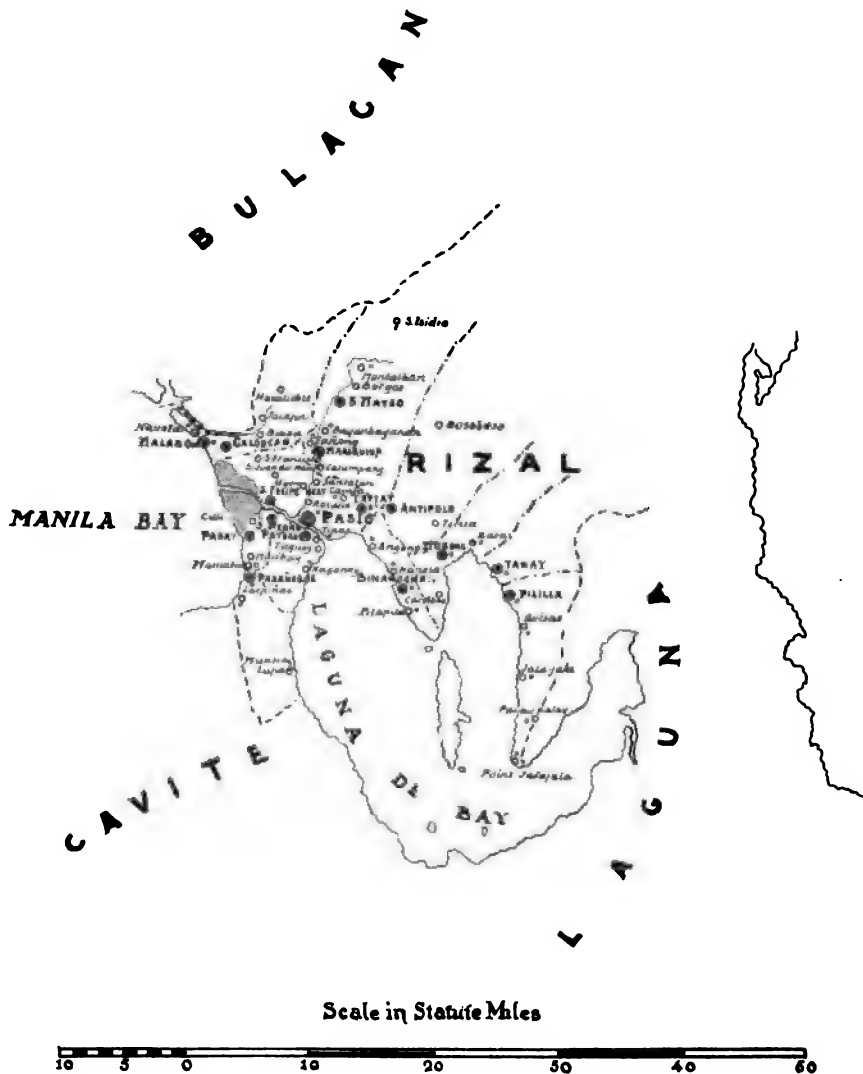
"The attitude of the people of the province, or more especially those of the barrios, is especially worthy of mention. With very few exceptions they have willingly cooperated under the leadership of the 'teniente' and contributed both material and labor toward the construction of the buildings. In the more democratic communities, such as are found in the town of Bauan, the cooperation was particularly noticeable, because altogether voluntary. In more aristocratic towns there was doubtless a certain amount of coercion.

"DIVISION SUPERINTENDENT."

"DUMAGUETE, NEGROS ORIENTAL, P. I.,
August 31, 1904.

"One thousand four hundred and forty-eight piculs of rice were received November 24, 1903, and 1,448 piculs December 18, 1903, for the construction of barrio schools. Large quantities of this rice were shipped to the American teachers in towns needing new schoolhouses, with instructions to exchange the rice for building materials. Little had been done, however, when word came from the provincial treasurer that no more rice could be exchanged; it must first be sold, and the proceeds would then be available for the schools. This order, coming at a time when there was little sale for rice, practically stopped all building. The rice that had been shipped to the towns was delivered to the presidentes to sell at a stated price. In many instances this rice was held for months, and much of it spoiled before the presidentes could dispose of it at the high price fixed by the treasurer.

"Of the rice remaining on hand in Dumaguete, some was utilized in the construction of schoolhouses in nearby barrios and the rest was recently sold at a reduced price. As a result of this last sale there is now quite an amount of money available.



Map Showing Location of School-Houses (see small black squares) constructed wholly with Government rice in Rizal Province.

"Buildings were erected at Candaauay and Amahon in Dumaguete, at Basac and Canoan in Larena, and repairs made on a school at Nueva Valencia, as shown by following table:

Town.	Total cost.	Present value.
Candaauay ^a	₱ 756.68	₱ 1,200
Amahon.....	722.15	1,000
Canoan, Larena (girls) ^b	330.85	6,000
Nueva Valencia (girls) ^c	436.90	600
Basac, Larena.....	109.48	200

^a Work on this building was done by day labor at the rate of 10 pounds of rice at 5 cents a pound per man a day.

^b This is a stone building that was commenced in Spanish times but never finished. The material had all been prepared and was stored near the building site, so that the only expense to complete the work was for labor. The construction was under the supervision of the American teacher at Canoan.

^c This building was repaired—new roof, new windows, and a cement floor. Work was done by day labor at the rate of 10 pounds of rice per man a day. Materials were paid for in rice.

"DIVISION SUPERINTENDENT."

"PASIG, RIZAL, P. I., August 17, 1905.

"The revenue from Congressional relief fund rice and money has been used wholly for the repair and construction of schoolhouses in the different towns and barrios.

"Reasonably good results were secured from the expenditure of rice for schoolhouse construction in the other towns, considering the class and condition of the rice furnished, the market for rice shipped into districts already fully supplied with this article of food in quantities sufficient to have much on hand for sale and for a price less than that of the government rice furnished. In some places, due to this fact, it was extremely difficult to secure material and labor to construct school buildings.

"In the whole, quite favorable results were accomplished. It was almost impossible to obtain skilled labor for payments of rice, as there was a great demand for such labor at Fort McKinley, near by. We were forced to accept unskilled labor in most cases. This trying condition was somewhat lessened by the hearty cooperation of such men as Mr. Hilario Raymundo, of Morong, the presidente of Pililla and of Paranaque. Where it was impossible to secure this hearty cooperation the results are not satisfactory.

"A table of receipts of government rice, and the distribution of same, is here appended:

School.	Estimated value.	
	Received.	Expended.
Pasig Tribunal de Naturales.....	₱ 3,552.07	₱ 3,552.07
Binañonan, Central.....	1,742.92	1,742.92
Taytay, Central.....	1,876.66	1,876.66
Taytay, Calinta School.....	1,119.81	1,119.81
Mariquina, Tanong School.....	880.75	880.75
Mariquina, Calumpang School.....	880.75	880.75
Mariquina, Bayanbayanan.....	880.75	880.75
Paranaque, Central School.....	2,056.26	2,056.26
Paranaque, Laspiñas School.....	1,403.59	1,403.59
Taguig, Tipas School.....	1,091.61	1,091.61
Taguig, Hagonoy School.....	1,901.60	1,901.60
Malabon, schools.....	5,744.13	5,744.13
Tanay, Central.....	1,001.25	1,001.25
Pililla, Central.....	2,770.96	2,770.96
Morong, Baras.....	134.47	134.47
Morong, Gobierno Político-Militar.....	2,355.04	2,355.04
Total.....	28,582.62	28,582.62

"DIVISION SUPERINTENDENT."

"IBA, ZAMBALES, P. I., February 18, 1904.

"We have not been able to use to good advantage the rice which was given us for schoolhouses, because the local price has been so much below the cost price of the government rice that it was deemed unwise to try to sell it at this time. We will be able to dispose of it soon without loss. Plans for schoolhouses have been submitted by most of the municipalities, and the plans for the high school are also in course of preparation. The municipal council of Iba has given us a very attractive site for the building.

"DIVISION SUPERINTENDENT."

"LUCENA, TAYABAS, P. I., June 25, 1904.

"I have the honor to submit the following report from the 'rice fund' for this province:
 "The first shipment was made to Mulanay, November 10, 1903, consisting of 450 sacks for Mulanay and the barrios of Bondog and San Narciso, and a few sacks for the barrio of San Andrés, and about the same date 100 sacks were sent to Santa Cruz, Marinduque, to pay for repairs on schoolhouse and for making benches. Here benches were made for 200 pupils, partitions put in the schoolhouse, and floor and roof repaired.

"This rice was expended at the rate of a 'ganta' and a half to two 'gantas' for a man per diem, and when a 'carabao' was used four 'gantas' paid for the two each day.

"As much of this was repair work it is very difficult to give you an exact estimate of each piece of work. The benches are about 11 feet long, well made, and with table cost nine pesos each. They are of the same pattern so generally used in Spanish times.

"Catanauan has received 200 sacks to complete their house and Torrijos has 100 sacks to build a new one. These have not reported yet, for the rice is not all expended. During the past week 28 sacks were sent to Unisan to be expended in completing their new house. Special mention must be made of this barrio. They have erected one of the finest and most substantial of the new buildings, and have a good observatory on the top. This is due to the good, hard work of the 'maestro,' and the kind help of the people, who take a keen interest in their beautiful new building with its colored and white windows. Nearly all the work was given free, except for the rice used.

"All labor will average two (2) 'gantas' a day for each man.

"DIVISION SUPERINTENDENT."

"CEBÚ, CEBÚ, P. I., July 11, 1905.

"No reports on the expenditure of rice have been received from Boljoon, Minglanilla, and San Remigio. However, a building is being erected from the Congressional relief rice at both Boljoon and Minglanilla.

"Many of the buildings are not yet completed.

"The buildings erected from the relief-fund rice will be very satisfactory when completed.

"In some cases perhaps not enough rice was given to complete them. In others it is believed funds were misappropriated by presidentes or contractors.

"The plan of construction is uniform. In most cases the rice was given to a contractor, who constructed the building. The presidentes of some towns gave out the contracts. In some cases it has resulted badly. Only one complete failure is reported on account of the contractor. The American teacher has not been utilized in the construction of these buildings. In some cases the contractors seem to have underestimated the cost. They claim that the rice has all been used but the building is not finished.

"Accompanying, find a copy of the list of pueblos where the relief-fund rice has been used, showing the number of buildings erected.

Town.	Number of houses.	Town.	Number of houses.
Talisay.....	1	Toledo.....	2
Minglanilla.....	1	Balamban.....	1
Naga.....	1	Asturias.....	1
Sibonga.....	2	Tuburan.....	2
Argao.....	2	Medellin.....	1
Boljoon.....	1	Daan-Bantayan.....	1
Oslob.....	2	Bantayan.....	2
Sambuan.....	1	Rorbón.....	1
Ginatilan.....	1	Cadmon.....	1
Malabuyoc.....	1	Carmen.....	1
Alegria.....	1	Liloan.....	1
Badian.....	1	Mandaue.....	2
Moalbual.....	1	Opon.....	1
Dumanjug.....	1	San Francisco.....	1
Barili.....	1		
Aloguinsan.....	1	Total.....	38
Pinamungajan.....	1		

Buildings constructed with Congressional relief rice.

Province.	Number piculs.	Provin- cial. (Wood.)	Municipal.		Barrio.	
			Wood.	Bamboo.	Wood.	Bamboo.
Albay and Sorsogón ^a	850		1			4
Batangas.....	4,481	1	11	2		66
Camarines.....	1,500			5	4	1
Cápiz ^b	1,000		3			9
Cebú.....	5,000			9		29
Ilocos Norte.....	2,500		1			85
Laguna.....	1,200				4	14
Mindoro.....	2,000		2		8	
Oriental Negros ^d	6,600		4	1	2	2
Rizal.....	5,050		4	3	2	9
Surigao.....	800		2			4
Tayabas.....	550		1			4
Zambales ^e	3,000		2	1	4	3
Total.....	34,531	1	31	21	24	230

^a Central School of Ligao repaired.^b Six municipal schools repaired.^c Many buildings repaired.^d A great amount of repairing on both municipal and barrio schools.^e About one-half the rice used for repairs.**TEXT-BOOKS, SCHOOL SUPPLIES, AGRICULTURAL IMPLEMENTS, AND WOOD-WORKING TOOLS.**

In the early years of the bureau a supply of text-books for advanced grades was ordered, which still, in most lines, adequately meets the needs of the bureau. The very great increase in school attendance during the past year, however, has necessitated the purchase of large quantities of supplies for primary grades. The list of these texts ordered during the fiscal year 1904-5 follows:

Reading chart:

2,000 Verb Chart, Clinton.

2,000 Manual for use with Verb Chart, Clinton.

(Prepared for use in the Philippine schools.)

Primers and readers:

50,000 Primer, Newsom.

25,000 First Reader, Newsom.

10,000 Second Reader, Newsom.

1,500 Third Reader, Newsom.

25,000 Insular Primer, Gibbs.

25,000 Insular First Reader, Gibbs.

10,000 Insular Second Reader, Gibbs.

2,000 Insular Third Reader, Gibbs.

25,000 A First Book in English, Bobbitt.

30,000 Busy Children of the Philippines, Carter.

(Above primers and readers prepared for use in the Philippine schools.)

Grammar and language:

6,000 Grammar, Allen.

5,000 Lessons in English, Gibbs.

5,000 Language Book, Newsom.

6,000 Grammar, Newsom.

(Prepared for use in the Philippine schools.)

Geography:

10,000 Philippine School Geography, Roddy-Gibbs.

10,000 Complete Geography, Roddy, with MacClintock Supplement.

(Prepared for use in the Philippine schools.)

History:

6,570 A Short History of the Philippines, Jernegan.

Nature study:

5,000 Nature Study Reader, Coulter.

15,000 The Lives of Plants, Ritchie.

1,000 Plant Relations, Coulter.

(Coulter and Ritchie books prepared for use in the Philippine schools.)

Physiology and hygiene:

4,000 *Our Bodies and How We Live*, Blaisdell.

Supplementary reading:

1,000 *Alhambra*, Irving.1,000 *Gulliver's Travels*, Swift.1,000 *Tales from Shakespeare*, Lamb.1,000 *Evangeline*, Longfellow.6,000 *Columbus and Magellan*, Lawler.

Music:

16,000 *Modern Music Series, Primer*.18,000 *Modern Music Series, First Reader*.7,000 *Modern Music Series, Second Reader*.1,500 *Modern Music Series, Alternate, Third Reader*.6,500 *Manuscript Series of Vocal Music*.

Drawing:

3,300 *Teachers' Manual of Drawing*, Hiltz.15,480 *Drawing Book No. 1*.4,200 *Drawing Book No. 2*.2,800 *Drawing Book No. 3*.2,700 *Drawing Book No. 4*.

Mathematics:

1,000 *High School Algebra*, Milne.

Latin:

300 *First Year Latin*, Collar & Daniell.300 *Latin Grammar*, Allen & Greenough.

School supplies:

500 bells, school.

8,220 hyloplate, pieces 3 by 5 feet.

3,600 ink, pint bottles.

72,000 ink, 2-ounce bottles.

70,000 newspaper stock, pounds (250 sheets 5 by 8 inches to pound).

5,000 pencils, lead, gross.

500 penholders, gross.

1,000 paper, foolscap, reams.

150,000 pads, writing.

200,000 slates.

100,000 blotters.

NOTE.—For information as to school texts specially prepared for the Philippines prior to the school year 1904-5, together with statement of their authors and publishers, see Appendix E, third annual report of the general superintendent of education.

The greatest emphasis is being placed upon various lines of industrial instruction in primary, intermediate, and secondary schools. Twenty sets of agricultural implements for provincial schools and 30 sets for intermediate schools have been received and are now being distributed to the high schools of those provinces to which teachers of agriculture have already been sent or soon are to be assigned.

The provincial school set of agricultural implements:

10 sprinkling pots.

1 plow.

1 harrow.

1 singletree.

2 doubletrees.

1 cultivator.

1 garden drill and cultivator.

1 tree pruner.

1 wrench.

20 hoes.

20 rakes.

20 trowels.

20 weeding hooks.

10 spading forks.

4 spades.

2 shovels, short handle.

1 shovel, long handle.

2 wheelbarrows.

2 tapelines.

1 manure fork.

1 post-hole spade.

2 scythe snaths and stones.

4 scythe blades.

2 files.

1 lawn mower.

The intermediate school set of agricultural implements:

10 hoes.

10 rakes.

20 trowels.

4 weeding hooks.

4 spading forks.

1 spade.

2 shovels, short handle.

1 wheelbarrow.

1 tapeline.

1 manure fork.

Twelve sets of woodworking tools were ordered from the United States during the school year 1904-5 to supplement an equal number of sets previously purchased. These sets are not being broken, but are being issued entire to the provinces which are supplied with industrial teachers and provided with suitable buildings for shopwork.

Set of woodworking tools for provincial school shops:

2 awls, scratch.

10 bevels, sliding T, 8-inch Stanley's No. 25.

182 bits, assorted, as follows—

24 bits, twist drill for wood, $\frac{1}{8}$ inch.

24 bits, twist drill for wood, $\frac{3}{16}$ inch.

24 bits, twist drill for wood, $\frac{1}{4}$ inch.

24 bits, twist drill for wood, $\frac{5}{16}$ inch.

20 bits, auger, $\frac{1}{8}$ inch.

20 bits, auger, $\frac{3}{16}$ inch.

20 bits, auger, $\frac{1}{4}$ inch.

12 bits, screw-driver, assorted.

1 set auger bits (13 to set), $\frac{1}{8}$ to $1\frac{1}{2}$ inch, inclusive.

1 bit, expansive, Clarke's large.

2 extra cutters for Clarke's expansive bit.

11 braces, assorted, as follows—

10 braces, Barber's No. 13, 8-inch sweep.

1 brace, Barber's ratchet, No. 31, 12-inch sweep.

72 chisels, assorted, as follows—

10 chisels, socket firmer, No. 35, $\frac{1}{4}$ inch (handled).

20 chisels, socket firmer, No. 35, $\frac{3}{8}$ inch (handled).

10 chisels, socket firmer, No. 35, $\frac{1}{2}$ inch (handled).

20 chisels, socket firmer, No. 35, $\frac{3}{4}$ inch (handled).

1 set chisels, socket firmer (12 in set), $\frac{1}{8}$ to 2 inches, inclusive.

28 clamps, assorted, as follows—

12 clamps, Colt's eccentric, 4-inch, open.

12 clamps, Colt's eccentric, 8-inch, open.

4 clamps, Colt's heavy eccentric, 30-inch, open.

12 countersinks, assorted, snail.

21 dividers, assorted, as follows—

20 dividers, winged, 6-inch P. S. & W.

1 divider, winged, 10-inch P. S. & W.

4 drawing knives, carpenter's, 8-inch.

144 files, assorted, as follows—

72 files, cabinet, for wood, $\frac{1}{2}$ rd., 8-inch.

24 files, saw, 3 square, $4\frac{1}{2}$ -inch, slim taper.

24 files, saw, 3 square, 5-inch, slim taper.

24 files, flat, smooth, 10-inch.

20 gauges, marking, not graduated, Stanley's No. 65.

20 gauges, firmer, outside bevel No. 7, 1-inch.

1 grindstone, 24-inch D., $2\frac{1}{2}$ -inch face.

1 grindstone fixtures, No. 42.

20 hammers, carpenters', Maydole's No. 12.

3 hatchets, Hammond's broad, 4-inch.

20 handles, plane for Stanley's adjustable wood plane No. 29.

20 knives, Swedish, sloyd 3-inch blade.

20 knives, carvers, short blade.

12 sets nail, round point, assorted.

10 oilstones, India medium, 6 by 2 by 1.

1 oil stove, 4-inch wick.

4 oilers, malleable iron, No. 2.

41 planes, assorted, as follows—

20 planes, block, Stanley's No. 9 $\frac{1}{2}$.

20 planes, fore, Stanley's adjustable wood No. 9.

1 plane, Stanley's adjustable wood joiner, No. 32, 26-inch.

1 pliers, Billing's forged steel, 6-inch.

1 pot glue, 2 pints.

20 rules, 2-foot, boxwood, 2-fold graduated in metric system, Stanley's No. 18.

37 saws, assorted, as follows—

10 saws, hand, crosscut, No. 12, 10 points, 22-inch.

4 saws, rip, crosscut, No. 12, 7 points, 22-inch.

20 saws, back, crosscut, No. 4, 10-inch.

Set of woodworking tools for provincial school shops—Continued.

37 saws, assorted, as follows—Continued.

- 1 saw, crosscut, No. 18, 24-inch, 12 points.
- 1 saw, frame turning, 14-inch.
- 1 saw, miter box, No. 4, 22-inch.
- 2 saws, nest, No. 3 composite.
- 24 saw blades, turning, 14-inch, $\frac{1}{8}$ -inch wide.
- 1 saw set, Morrill's No. 95.
- 12 scrapers, cabinet, steel, 3 by 4 inch.
- 20 screws, bench, wrought iron, $1\frac{1}{4}$ inches diameter, 18 inches long.
- 25 screw-drivers, assorted, as follows—
 - 12 screw-drivers, Champion, 6-inch.
 - 12 screw-drivers, Champion, 3-inch.
 - 1 screw-driver, spiral, Goodell's No. 2.
- 6 spokeshaves, Stanley's No. 54.
- 25 squares, assorted, as follows—
 - 5 squares, steel, H. S. & Co. No. 2.
 - 20 squares, try, Stanley's No. 12, graduated in metric system.
- 20 vises, W. C. Tole & Co.'s No. 50, rapid acting, with hard maple faces.
- 1 wrench, Coe's patent knife-handled, black, 10-inch or 8-inch.
- 6 cards, file and brushes, H. S. & Co. No. 2.
- 20 brads, wire, 1-inch, No. 18, first-class, pounds.
- 30 pounds glue flake, good quality.
- 16 dozen hinges, brass butt, assorted (with screws) as follows—
 - 8 dozen hinges, brass butt, 2 $\frac{1}{2}$ -inch, with screws.
 - 8 dozen hinges, brass butt, 2-inch, with screws.
- 8 dozen locks, assorted, as follows—
 - 4 dozen locks, cupboard.
 - 4 dozen locks, drawer.
- 50 pounds nails, finishing, assorted, as follows—
 - 25 pounds nails, No. 6, finishing.
 - 25 pounds nails, No. 8, finishing.
- 8 reams sandpaper, assorted, as follows—
 - 1 ream sandpaper No. $\frac{1}{2}$.
 - 2 reams sandpaper No. 1.
 - 2 reams sandpaper No. $1\frac{1}{2}$.
 - 3 reams sandpaper No. 2.

PROVISIONAL REGULATIONS GOVERNING THE SERVICE OF THE FILIPINO TEACHER.

The school law provides that each division superintendent shall, subject to the rules prescribed by the general superintendent, appoint the native school teachers and fix their salaries from year to year.

The following bulletin was prepared early in the current school year by the general superintendent for the guidance of division superintendents in the appointment and supervision of Filipino teachers:

"The aim of all division superintendents and teachers during the next school year should be to secure an enrollment for each district of each division that should amount to approximately one-eighteenth of the population of the district. Divide the total population of the district by 18 and we have the number who should be in constant attendance upon our primary schools. It should be pointed out that in many school divisions this number has been very considerably exceeded, and in most such cases it is believed that a loss in character of instruction and the efficiency of the school work ensued. It has not been felt proper to check this excessive attendance for the reason that in every case, so far as is known, it has been a manifestation of popular eagerness to secure education and of popular support of schools. It should be obvious, however, that more than the above stipulated number can not be properly instructed with the present equipment and of Filipino teachers. For this reason for the coming year of 1905-6 superintendents should endeavor to limit the attendance to a number not more than 60 pupils to each Filipino teacher. If necessary, admission to a school can be placed somewhat at a premium. It is believed that the best way of reducing this attendance where it has become too great is to raise the age of admission to the schools. In many places children between the ages of 5 and 6 have been admitted to the schools. Our experience seems to teach clearly, however, that a child two or three years older than this learns much more rapidly and

gains a great deal more. It is suggested to division superintendents that, except in unusual cases, the age of admission to school be placed at from 7 to 8 years. If desirable, children younger than this whose parents are anxious that they should receive some instruction may be gathered together for an hour or so a day outside of the regular school session and given instruction in English conversation, chart work, games, easy number work, etc., but such children should not be carried on the regular rolls nor should books and supplies be issued to them. Our purpose for next year, then, should be to have in our primary schools a number of children of from 7 to 8 years of age equal to one-eighteenth of the total population, carefully graded in accordance with the prescribed course of instruction, gathered in suitable school buildings with proper equipment and school supplies, and not more than 60 pupils to each Filipino teacher or apprentice teacher. The division superintendent should apply these same plans and rules to each district of his division, calculating the number of children who should be in the primary schools in each district, the number of teachers who should be giving them instruction, and compare this ideal organization with the actual condition.

"CLASSIFICATION OF MUNICIPAL TEACHERS.

"Information has never been collected showing the attainments and efficiency of municipal teachers. Division superintendents are now instructed to secure and report the following data in regard to all Filipino teachers:

"Age.

"Number of years of service in Spanish schools, if any.

"Number of years of service under American Government.

"Diploma, if any, from either Spanish or American educational institutions.

"Each teacher should, moreover, be graded in accordance with the following provisional plan:

"Under attainments the following nomenclature should be used:

"A. Those who can not fulfill the requirements of the primary course of instruction.

"B. Those who can fulfill the requirements of the primary course of instruction, but whose education comprises nothing more.

"C. Those who can pass the requirements of the primary English course and an elementary course in English grammar and composition, with methods of primary class instruction.

"D. Requirements of C, together with Filipino teachers' civil-service examination.

"E. Requirements of C, together with knowledge of Philippine civil government (McGovern's and codes) and Philippine history (Knapp's or Jernegan's).

"F. Requirements of E, together with an institute instruction in hygiene (Ames), school gardening, native industries, and gymnastics. As regards the institute courses here specified, it is known that many institute teachers have completed an elementary course in hygiene and have had some instruction in school gardening. Outlines of courses for Filipino teachers in gardening, native industries, and industrial work in primary schools based on them, and in gymnastics and physical exercise are being prepared and will be furnished to division superintendents in advance of the next school institutes.

"G. Graduates of intermediate course without C and F.

"H. Graduates of intermediate course with C and F.

"I. Graduates of a teachers' training course in a secondary school.

"J. Graduates of the Philippine Normal School.

"Under efficiency, the teacher's grade should be indicated by the following series of numbers:

"1. A class-room teacher able to teach grade I and no more.

"2. A class-room teacher able to teach grades I, II, and III.

"3. Knowledge and ability to teach IV.

"4. Knowledge and ability to teach the entire intermediate course.

"5. Knowledge and ability to organize and conduct the primary school, either municipal or barrio, independently of the supervising teacher.

"6. Knowledge and ability to organize and conduct a school district.

"It is believed that the classification of Filipino teachers under such a scheme as above, provisional though it is, will greatly advance our knowledge of the actual point to which the training of the Filipino teacher has progressed and will materially assist in laying our plans for his future instruction. Just how many teachers, for example, must still be graded under the terms A and I is not known, but it is believed that there is still a considerable proportion of municipal teachers in every division who can not pass even the requirements of the primary course. It should be the first aim of the division superintendent to get rid of this class of teachers during the coming school year, if possible, by their training and advance into class B. It would be exceedingly desirable if, beginning with

the school year 1906-7, a general regulation could be promulgated making the minimum requirement for a Filipino teacher the ability to pass a satisfactory examination in all three years of the primary course.

"Next to the actual knowledge contained in the primary course probably the most important instruction that a Filipino teacher can receive is training in the method of imparting this knowledge and in the organization and conduct of a primary school. Excellent work has been done in a number of teachers' institutes in methods. The Filipino teachers have been carefully drilled in the way to present chart work, etc. I believe that the approved methods which to a certain extent are in vogue in the Philippine schools are the best in the world. They have been worked out by a class of exceedingly well-trained and thoughtful American teachers. The exceedingly rapid progress which the Filipino boy or girl is able to make when his study is prosecuted under the most favorable methods of instruction is sufficient proof of the extraordinary merit of the methods used. It should be the aim of all superintendents to make these well-tested methods current in all classes. In many cases the American teacher himself, who has not had the benefit of experience in this country or previous careful instruction in primary school methods, will need instruction on these points quite as much as the Filipino teacher.

"Probably no series of texts are so much needed at the present time as some which will embody in brief compass and plain, simple language, the principles upon which primary instruction, as we have tested it, should proceed. The text-books in use, particularly those recently prepared, embody in a nearly satisfactory degree these methods. The constant aim of every teacher should be to impart the 'content' of these primary subjects with the greatest economy of teaching force and with the greatest stimulus to the mind of the child.

"Another group of subjects particularly recommended for teachers' institutes during the coming year are those of group F. Work in school gardening or in native industries are branches which we believe are particularly necessary in a plan of instruction such as ours, which aims to raise the economic and social efficiency of the population. Such instruction, however, can not be satisfactorily given except by first imparting it to the Filipino teachers. When they grasp the object and plans it will be found that they, with their better knowledge of the products and native arts of the islands, will be able to do this work with better results even than the American teacher.

"As stated above, I hope that bulletins outlining these two courses of study will be ready for use in all teachers' institutes this coming year.

"Under the revised system of reports to be sent to the general office—Form No. 6—there will be no space for the municipal teachers, and these will no longer be reported upon monthly, but twice each year—once at the beginning of the year when municipal teachers receive their appointments and when of necessity the division superintendent must carefully examine and weigh their respective merits, and once about December, which in most cases will be at the conclusion of the teachers' institutes. The division superintendents will make a report to the general office upon all municipal teachers, giving them grade marks in conformity with the above plan. Apart from this classification in point of attainment and efficiency as above discussed, the Filipino teacher will be further classified, in accordance with his position in the educational profession, as follows:

- "1. Filipino supervising teachers.
- "2. Principals of municipal schools.
- "3. Instructors in intermediate schools.
- "4. Municipal primary teachers.
- "5. Apprentice teachers (aspirantes).

"FILIPINO SUPERVISING TEACHERS.

"A number of Filipino teachers under insular appointment have been engaged during the past year as supervisors of districts, their duties and responsibilities being the same as American teachers when engaged in this work. They have almost uniformly given satisfaction. It is obvious that to do this work well a man must have a fair amount of training, in any case at least as much as D, must have a high standing in the community, and must preeminently be trustworthy, faithful, and active. It is a very encouraging result that those Filipino teachers who have in the past year been trusted with this responsibility have discharged it so well. There are in the 36 Christian provinces 417 school districts. Of these, during the coming school year, about 385 will be supervised by American teachers, but the balance of 32 will be handled by Filipino supervising teachers. It is obvious that the compensation of such Filipino teachers as can perform these duties should be the highest paid.

"PRINCIPALS OF MUNICIPAL SCHOOLS.

"In certain cases the division superintendent may, in his discretion, designate some Filipino teacher to be principal of the schools in the center of the town, his duties to be

discharged subject to the direction of the supervising teacher. In many cases such an appointment will not be necessary, but in some cases where it has been tried it has been found to considerably assist the supervising teacher in lightening his responsibility. A teacher, where so appointed, should be recognized as occupying the second place in point of advancement in the school district.

"INSTRUCTORS IN INTERMEDIATE SCHOOLS.

"The third highest place in point of advancement should probably be the teacher who is able to give instruction in the intermediate school. There are few Filipino teachers at the present time who are able to teach even grade IV. The training of the Philippine Normal School is, however, a direct preparation for teaching any one of grades IV, V, and VI, and hereafter the graduates of the normal school will have had actual experience in teaching every study prescribed in the intermediate course. The science teaching of the normal school is thorough and of a high character. It is believed that every graduate of this school will be a capable instructor. At the present time all of this has to be done by American teachers, a result which makes this branch of instruction exceedingly expensive. As our intermediate schools grow in number our only hope in properly conducting them is the training of a sufficient number of Filipino young men and young women for the positions. There is no class of Filipino teachers who, in my opinion, will be so much needed at the end of another year, as a teacher able to give instruction of this nature. The young men and women studying in the United States for the teaching profession of these islands are being advised to fit themselves directly for teaching these courses. The attainment of proficiency in these courses offers to the Filipino teacher a large and attractive field of study and preparation for some years to come.

"MUNICIPAL PRIMARY TEACHERS.

"A municipal teacher should be able to give satisfactory instruction in all three of the primary grades, should understand how to organize and conduct the primary school, how to make reports, care for, and issue, and collect property, and conduct primary examinations. It is, of course, exceedingly desirable that his actual knowledge should far exceed the primary course itself. It is generally recognized that no teacher can be too highly trained for successful primary work. Municipal teachers should be encouraged and stimulated to undertake the courses of instruction to be hereafter detailed with a view to continuing their study for the long work of years. It has been frequently urged that the preparation and study of a teacher should never cease. In the case of the teaching profession in these islands it is obvious that they can not cease for many years to come, and that if the profession is to be brought to a recognized high standing the habits and enthusiasm of the student must accompany the work of a teacher through many years.

"No distinction is to be recognized between the teacher who teaches in the center of a town and one who teaches in its barrios. The barrio teacher is usually called upon for the display of larger capacities and is in a more responsible position than the teacher in the central school. Division superintendents have frequently found it wise during the past year to send their best prepared Filipino teachers out into the barrios, where the duties of organization and separate responsibility fall heaviest upon them. It is obvious that such teachers should not be regarded as of a lower grade than the teacher in the central school, nor should they receive a lower compensation.

"THE APPRENTICE TEACHER, OR ASPIRANTE.

"In a number of divisions during the past year considerable assistance has been derived from aspirantes, or apprentice teachers, serving without compensation or with a very nominal remuneration. In the province of Pangasinán there were 50 aspirantes during last year. In the past the bureau of education has been of necessity compelled to accept and pay for the services of teachers who were very imperfectly prepared to give the instruction for which they received salary. A considerable portion of the day's work of these teachers has consisted of receiving training and instruction. The time appears to have now arrived for us to establish as a principle the rule that young people, who have not previously been teachers and who are undergoing a course of instruction to fit them for the teaching services should be called upon, if necessary, for service for at least a portion of each day. Such a class of pupil-teachers is recognized in the schools of the Federated Malay States, and the code of regulations for that government provides that such pupil-teachers must receive at least two hours' daily instruction and be at least 15 years of age. Under our own system it is probably preferable not to too closely prescribe the conditions of the service of an apprentice teacher. The principal thing is to recognize this class, to hold out to young people the promise of professional training and salaried position which it

contains, and to emphasize the duty of young people receiving education from the State to render some unpaid service in return for benefits received. As previously stated, to instruct properly 400,000 primary pupils, not less than 6,000 teachers are needed. Taking municipal and insular teachers together, there are at the present time about 4,500 Filipino teachers. The 1,500 additional instructors must then for the present be aspirantes. This gives us about one aspirante to three regularly appointed and paid teachers. Doubtless this proportion is somewhat large, but the gradual increase in school funds and the improvement of school work will reduce the number to one-fifth or one-sixth instead of one-fourth of the total Filipino teaching force. A special form of appointment has been prepared for the aspirante, wherein he contracts for at least a year's service without compensation, and which carries with it the right to enter and receive instruction in the teachers' training class conducted by the supervising teacher, to attend normal institutes, and to secure all other advantages in the way of instruction and training which the bureau may be able to afford.

"PUPIL MONITORS.

"In many schools also there has been developed a class of pupil monitors who assist in preserving order and discipline and who take charge of small sections of pupils, usually not more than twenty, and listen to their reading or oversee their chart work while the rest of the class is receiving instruction from the Filipino teachers. The use of pupil monitors has been necessary the past year in schools where the attendance in class was extraordinarily large. Usually the pupil monitor has been a child only slightly more advanced than the children whose work he, himself, directed. It has seemed to be advisable, wherever pupils have been so employed, to relieve them frequently and keep no student on this duty longer than thirty or forty minutes a day. Such monitors will hardly be needed where classes are not more numerous than sixty to a teacher. A class of sixty divides readily into three sections of twenty each for certain recitations and two sections of thirty each for certain others. Ordinarily one section recites while the other, or others, prepare lessons, write on slates or blackboards, or engage in some of the familiar industrial work based upon native industries which is being introduced into primary schools.

"COMPENSATION OF TEACHERS.

"Salaries of insular Filipino teachers under the present appropriation vary from ₱360 to ₱1,200 per annum. Only a small number are receiving at the present time as high as ₱100 per month. The average salary of the 238 at present under appointment is ₱593.98 per annum. As the efficiency of these teachers increases and their education becomes further advanced it is believed that an average salary of ₱600 per year will be a just and reasonable standard. There has been in some branches of the government service a tendency on the part of the Filipino employee as soon as his training fitted him to do the work previously done by an American employee, to demand the same salary as was paid to the American. In some cases this has been given and Filipinos are being paid salaries of \$1,000, \$1,200 and even \$1,400 gold per year for the simple reason that these salaries were paid to Americans who formerly filled the same positions and did the same work. At first thought it might appear that this was only a just recognition of the equality, which must permeate the civil service. But further consideration shows conclusively how impossible a policy this is. The Americans in these islands are paid practically double what their services would command in the United States. That is, they are paid the large salaries that must always be paid the skilled employees in foreign service. That they are not paid too much is sufficiently evidenced by the fact that it has been difficult to secure first-class American employees at the salaries which have been offered. The proper compensation for a Filipino in the Philippine Islands should certainly be not higher than that paid to an American for the same class of service in the United States. Judged by this standard a salary of ₱600 per annum is a fair average salary in the teaching profession. The average salary for teachers in the United States is: Men teachers, \$400; women teachers, \$320. In some States it rises higher than this, but in some others it goes considerably below. Division superintendents should be at pains to explain this principle, which is to be the proper one for guidance in filling all positions by Filipinos, in order that false expectation may not be raised in their minds, nor false misunderstanding arise that a disparity and partiality are being displayed in the compensation of the teachers of the two races. The principle upon which the government in the Philippines is proceeding, and which is eminently fair to the Filipino teachers, is that as rapidly as the work done by Americans can be done by Filipinos the Americans will be dismissed and the positions filled by Filipinos. But the compensation for the Filipinos accepting office under these circumstances should not by any reason be the high compensation which must be held out to an American in order to induce him to interrupt his career

in the United States to enter a service in the Philippine Islands necessarily insecure and involving sacrifices.

"Salaries of municipal teachers can not be fixed for all provinces by any general regulations. They vary greatly from one province to another in accordance with the purchasing power of money in these provinces and the condition of municipal finances. Superintendents and teachers are referred for information on this point to the report of the general superintendent for the last school year. From that report it will be seen that the average salary paid to a Filipino teacher is a little over ₱20 a month, and happens to be slightly higher for the women teachers than for the men, an evidence of the high class of young women who have been attracted to the teaching service. The salaries are least in Bohol Province, where they average but ₱8.46, and highest in the city of Manila, where they average ₱72, high prices for living and rent, even for Filipinos in the metropolis, being the cause of the relatively high salaries paid. At the same time the average of ₱20 is undoubtedly too low. Unskilled labor receives in nearly every locality about 60 cents constant per day, and in government employ about ₱20 to ₱25 per mensem. The salaries of the teachers should certainly be higher than this and at least should compare favorably with that paid to skilled labor and to craftsmen. It is hoped that within a reasonable length of time the average salary may rise to at least ₱30 per mensem, although in some provinces where living is very cheap as large a salary as this might not necessarily be paid. As stated above the cost of living and of food, as well as the purchasing power of money, varies enormously from one part of the archipelago to another, and is one of the many striking instances of that lack of development in transportation, in markets, and in credit, which prevails in this archipelago.

"VACATION, HOLIDAYS, ETC.

"Since the beginning of the employment of Filipino teachers it has been an almost generally recognized rule to engage the Filipino teacher for a year's service and to pay him an annual salary in twelve monthly payments, his pay continuing during vacation as well as during the months of duty. This is a step which, it may be noticed, almost invariably attends the remuneration of an occupation as it rises into the dignity of a profession. It is believed that this plan of employment is of sufficiently proven merit to be generally regarded. Exceptions are Filipino teachers engaged temporarily for short periods. In such cases the conditions of service, and the fact that no holiday pay attaches to them, should be clearly understood and acknowledged in writing by the acceptance of the engagement. Filipino teachers dismissed for improper conduct should, of course, forfeit any vacation pay current or due in the future. Ordinarily a teacher should expect no increase in salary during the current year, but where appropriations for teachers' salaries are made by the municipal council in accordance with a plan of action and presupuesto elsewhere described, and so many positions are provided for at certain fixed salaries, the division superintendent may in his discretion, where a vacancy occurs, promote a teacher under contract to receive a lower compensation to the position made vacant as a recognition of special merit and worth.

"The only holidays to be enjoyed by Filipino teachers are those prescribed by the bureau of education for all teachers. Filipino teachers should be in attendance upon their duties for the full prescribed hours each day of all other days.

"Absence from duty for any other reason than sickness should result in forfeiture of pay for the time lost. Absence by reason of illness, if the illness is properly established in the judgment of the division superintendent, may be made up by equivalent service during the vacation period. These are the general conditions attaching to absences of insular employees, the only difference being that the administration of these regulations is left entirely to division superintendents without the necessity of making report or seeking approval thereon.

"In all cases where the teacher is dismissed by reason of bad conduct or inefficiency the name of the offending teacher, with dates of dismissal, should be forwarded to the general superintendent, with a brief statement of the reasons for his separation from the service. It is believed that such an action is wise, inasmuch as teachers frequently apply to the general superintendent for reversal of action on the part of the division superintendent or to secure transfer to some other division when they have properly been dismissed from the service.

"TRANSFER.

"Correspondence for the transfer of a Filipino teacher from one division to another should, as a matter of official courtesy, be conducted only through the office of both division superintendents. No division superintendent shall solicit the transfer of a regularly appointed Filipino teacher from another division to his own except upon the consent of the

other division superintendent or the general superintendent thereto. Where there are reasons, a transfer should be allowed, but in case the division superintendent is unwilling to release a teacher the matter may be referred to the general superintendent, whose decision in the matter will be final.

"CONDUCT OF THE FILIPINO TEACHER.

"The Filipino teacher must be required to be faithful to his duty and to attendance upon the same at all prescribed times, must regularly attend the teachers' training class and the Normal Institute of the division unless excused by the division superintendent, must be obedient to all proper instructions of the division superintendent, the supervising teacher, or the principal, and by blameless life give a good example to the community and to the children among whom he labors. Dishonesty, lying, unchastity, drunkenness, use of opium or other injurious narcotics, gambling or betting at the cockpit are proper grounds for the dismissal of a teacher. Supplementary regulations not in conflict with any of the preceding may be made by division superintendents, but in such cases it is requested that the general superintendent be furnished with copies of the same.

"GRADED COURSES OF INSTRUCTION.

"The instruction of Filipino teachers is carried on in two ways, viz : The teachers' training class conducted usually in daily sessions by the supervising teacher in each district, and the teachers' institute held for a term of usually four weeks during the forty weeks school year. It is obvious that the daily instruction received by the Filipino teachers in their teachers' training class must be closely coordinated with that received in the Normal Institute. It is suggested, however, that hereafter subjects of study be arranged in two main groups to consist of subject to be pursued in daily, or practically daily, recitations for periods of at least thirty-two weeks, and the other of short special courses of twenty lessons each to be taken up at normal institutes. The following suggested courses of instruction are thus classified under two headings—courses for teachers' training classes and courses for normal institutes. A prerequisite to any of these courses is, it is well understood, the completion of all of the work of the primary course, Grades I, II, and III. Teachers or apprentice teachers who have not thoroughly completed the specified work in English language, arithmetic, and elementary geography prescribed for the primary course should be held to the completion of this work before attempting any more ambitious studies. As stated above it is very desirable that teachers, including aspirantes, not possessing these requisites be eliminated from the teaching force by the end of the coming school year.

"COURSES FOR TEACHERS' TRAINING CLASSES, INTERMEDIATE INSTRUCTION.

"GROUP I.—English grammar and composition. A two years' course of at least thirty-two weeks in each year, giving a good foundation in the rules governing correct English and a large amount of practice thereunder. The texts may be Allen's English Grammar, or the Mother Tongue, volumes 1 and 2.

"2. Primary arithmetic. Two years' work of at least thirty-two weeks each year. Texts: Milne's Elements, etc.

"3. Elementary geography. Two year, thirty-two weeks each. Texts: Frye's Advanced Geography and Roddy's Advanced Geography.

"4. Civil government in the Philippines. One year, at least thirty-two weeks. Texts: McGovney's Government, the Codes, and articles on government in The Philippine Teacher.

"5. Outlines of Philippine history. One year, at least thirty-two weeks. Text: Jernegan's History, to be supplemented by special courses in the Normal Institute, occupying twenty lessons each. Work in the history of the economic development of the islands; this latter to be supplied in a bulletin of the bureau.

"6. Physiology and hygiene. A year's work, thirty-two weeks. Text: Blaisdell's Our Bodies and articles on hygiene and sanitation appearing in The Philippine Teacher. This course is to be further supplemented by taking the special courses on hygiene in the Normal Institute, which are hereafter described.

"7. Plant studies and elements of agriculture. One year's course, at least thirty-two weeks. Texts: Ritchey's Plant Studies and Coulter's Nature Study for the Philippine Islands and Lyon's Elementary Agriculture in the Philippines.

"8. Animal studies. One year, at least thirty-two weeks. Texts: Daniel's Animal Types of Malaysia and a series of leaflets on animals of the Philippines being brought out by the Bureau of Education.

"These two last courses should be supplemented by twenty-lesson courses in the normal institutes (see hereafter), where the teacher may gain familiarity with the use of the dis-

secting microscope and with microorganisms. During the longer course teachers should be encouraged to make both botanical and zoological collections which can be brought to the Normal Institute and there studied and displayed.

"GROUP II.—Advanced courses in literature and history. (These courses for which there is no present demand will be elaborated hereafter.)

"GROUP III.—Advanced courses in science. (Same as above.)

"COURSES FOR NORMAL INSTITUTES.

"In the following courses, it is understood, there will be daily instruction, for at least forty minutes per day and at least five recitations per week, for the four weeks of the Normal Institute.

"GROUP I.—Courses supplementary to intermediate instruction. History of the economic development of the Philippines supplementary to Philippine history. Studies in the growth of population since the Spanish conquest. The history of the spread of civilization in the islands. The establishment of Philippine towns. Early commercial products of the islands. The Chinese trade. Spanish legislation regarding commerce and especial attention to the commerce of the islands after the opening of the archipelago to foreign trade, together with an examination of the chief staples of the Philippines at the present time and the markets open to these products.

"2. Early Spanish discoveries in America and the Indies. Text: Lawler's 'Columbus' and Magellan.'

"3. Outline of geography and modern European colonial possessions.

"4. Government in the United States. Text-book: Putney's 'American Government.' This pamphlet can not be completed in 20 lessons. Instruction should proceed as far as page — and either be completed in a subsequent teachers' institute or in the teachers' training class during the months of the year following the Normal Institute.

"5. Lessons in botany. Fundamental physiology, morphology, and anatomy, with use of compound microscope. Notebook required.

"6. Lessons in zoology. Twenty lessons on low forms of life. Drawing book and microscope.

"7. Epidemic diseases in the Philippines. Outline of their causes, spread, and control.

"8. Problems of town and village sanitation in the Philippines.

"9. Hygiene of the person and the home.

"10. Geography through the stereograph. (a) Great cities of the world. (b) Industries. (c) Physiographic agencies. (d) Mountains. (e) Races and peoples.

"A series of lessons illustrated by the use of 100 stereographic views, the student being required to produce in essay form the matter descriptive of each view.

"GROUP II.—Methods of teaching and school work.

"1. Organization and conduct of the primary school.

"2. School building and hygiene.

"3. Methods of teaching Grade I.

"4. Methods of teaching in Grades II and III.

"5. District supervision.

"GROUP III.—Agriculture, industries, and arts.

"1. School gardens.

"2. The growing of staple Philippine products.

"3. Poultry breeding and raising.

"4. Care of farm animals.

"5. Commercial geography with a special reference to tropical products.

"6. Industrial work for primary grades.

"7. Elementary technology textiles. Special study of the household spinning and weaving industries in the Philippines, including experiments with cotton, silk piña, abaca, and native wool; elementary technology, metals (a); alloys of copper, zinc, tin, and lead; elementary technology, metals (b); iron and steel; elementary technology, ceramics (a); experiments with native clays on a potter's wheel; glass blowing; elementary technology, ceramics (b); pottery decorating and firing.

"8. Carpentry: Sloyd exercises; 20 lessons in black and white brush work; 20 lessons in ornamental design; 20 lessons in charcoal drawing.

"GROUP IV.—Professional studies, (A) institutions.

"1. School administration in the Philippines.

"2. Public schools in the United States.

"3. Colleges, universities, and professional schools in the United States.

"4. Educational systems of Europe. Brief outline.

"5. Public school system of Japan.

"6. Public instruction in British colonies of the Far East—India and Malay States.

"7. Educational situation in China.

"GROUP V.—Professional studies, (B) principles.

"1. Development of the child's body.

"2. Development of the child's mind.

"3. Training of special faculties.

"4. Elementary psychology.

"5. Elementary anthropology.

"GROUP VI.—Ethics.

"1. Principles of Christian ethics.

"2. Confucianism, the ethics of China.

"3. Bushido, the ethics of Japan.

"4. The ethics of Mohammedanism.

"5. Methods of teaching ethics in primary schools.

"6. Ethical training in the intermediate and secondary schools.

"The above courses for normal institutes shall be given from time to time, a selection being made by the division superintendent of certain courses from above groups for any given year. It is obvious that to present successfully in a brief space of twenty weeks the subject-matter of any one of these courses will require careful preparation on the part of the teacher who gives the course. It is thus advisable that the programme for the vacation institute should be made out early in the year and the teachers for these special courses be early designated. In some cases it may be advisable to assign the teacher for a brief space to Manila, in order to afford him an opportunity to work up the material for the course. It is the purpose of the Bureau to make of the several institutions on the exposition grounds an educational headquarters for the islands. Here the teachers, both American and Filipino, will find excellent facilities for study and investigation in science, including physics, chemistry, and biology, tool shops in which he can receive training for this instruction and in which he can prepare working drawings, sets of models, and a workbench for his own use, and a laboratory where are being performed experiments in the physical development and mental growth of Filipino children. It is hoped that also within a brief time a library of reference on all the above subjects will be available. There has been established in addition a permanent school exhibit of educational material from all parts of the islands and from some schools in the United States, which is of great and increasing value to a teacher who is willing to study the materials here displayed.

"The courses outlined above contain some of the subject-matter in which it is desirable that training should be given through the public schools. The aims of the bureau of education are not confined to a certain amount of bookish learning, but embrace the wide general purpose of broadening the mental life of the race, raising its moral standards, increasing its self-control, bettering its physique and training it in a variety of useful arts and professions which will raise alike the social plane and economic efficiency of the nation. It is manifest that to do this successfully instruction must commence with the Filipino teacher and all such efforts must proceed through him. He it is who must be in a certain sense a missionary of higher and better life in the communities and hamlets where he works. I believe that one of the most effective ways in which information may be popularly disseminated and new standards created is by training the Filipino teacher in the art of addressing audiences of his own people on matters pertaining to public health, good government, ethics, geography, etc. Filipino teachers should be encouraged to prepare such talks with the assistance of their American teacher and after the same have been approved by the division superintendent or supervising teacher, to give them in the barrios or towns where they are stationed. The bureau will endeavor to assist in this work little by little, by supplying lanterns, stereopticons, stereographs, charts, etc. A part of the Filipino teacher's training thus should be as a popular lecturer and speaker. Practice in this work should be commenced in the normal institutes."

Abstract of reports on Filipino teachers.

Division.	Attainments.									Efficiency.					
	A.	B.	C.	D.	E.	F.	G.	H.	J.	1.	2.	3.	4.	5.	6.
Manila.....	68	62		100					12	68	174				
Albay and Sorsogon.....	38	91	46	4		1				58	79	17		7	5
Ambos Camarines.....	26	47	25	2						46	45	8	1		
Batangas.....	8	88	33	8	3	5	4	11		11	106	14	2	11	8
Bohol.....															
Bulacán.....	5	50	71	11	27					39	79	28		17	2
Cagayán.....	41	64	20	4			1			72	46	10		2	
Isabela.....	15	10	17		3		4	3		15	27	10			
Cápiz.....	58	51	5	2	3					59	54	6			
Cavite.....	7	70	51	6	15					75	29		1	44	
Cebu.....															
Ilocos Norte.....	72	37	32	3	15	2			1	91	47	11	1	8	2
Ilocos Sur and Abra.....	103	82	77	4	26	3	3	5		112	139	31	5	13	3
Iloilo and Antique.....	62	108	51	24	15		1	2		108	119	34			2
La Laguna.....	28	87	47	9	6			1		76	88	8	2	4	
La Unión.....	30	21	33	3	2					37	52				
Leyte.....	58	22	44	3	13		1		1	71	61	8	3	19	3
Masbate.....		34	4		4						28	14			
Samar.....															
Misamis.....	87	10	9			5				89	17	5			
Nueva Ecija.....	14	33	57	3	7	1		3		17	48	27	8	10	8
Nueva Viscaya.....		20	14		5					19	6	4			
Occidental Negros.....	47	76	47	8	1					60	97	22		1	
Oriental Negros.....	57	26	3		6					57	26	3		6	
Pampanga and Bataan.....	3	54	37	17	11	4	1	3		20	70	24	2	6	1
Pangasinán.....	45	14	134	10	125	1	1		1	202	111		22		
Rizal.....	21	86	28	14	2		4			33	93	24	3	2	
Romblón.....	9	9	15	1		5				13		24		2	
Surigao.....	66	23		10	2					66	22	8		3	2
Tárlac.....	10	23	48	10	2					37		44		13	
Tayabas.....	46	57	1	8			10			61	31	2	1	37	
Zambales.....	3	38	25	6	4					18	39	7		12	
Mindoro.....	2	39	1		1					38	2	2		1	
Benguet.....															
Lepanto-Bontoc.....	11	10	1	1						11	10	1	1		
Palawan.....	2	1	4							3	4				
Moro.....															
Manila Normal.....															
Manila Trade.....	1	2	1							1				3	
Manila Nautical.....															
Total.....	1,025	1,445	981	171	298	27	29	28	15	1,605	1,575	372	76	221	36

a No Filipino teachers.

NOTE.—The above is a partially complete compilation of reports from division superintendents on the attainments and efficiency of Filipino teachers, according to the classification prescribed in the foregoing bulletin.

EDUCATION OF FILIPINO STUDENTS IN THE UNITED STATES.

The experiment of the Philippine government of sending each year to the United States a number of young Filipinos for education was first undertaken in 1903, under the conditions named in act of the Commission No. 854. The appointment of 100 students was provided for by this act. The appropriation bill for the fiscal year 1904-5 authorized the appointment of 40 additional students. Resolution of the Commission of December, 1904, added 3 to this number, and early in 1905 the holding of examinations was authorized to secure 40 more eligibles for the school year 1905-6. Examinations were held throughout the archipelago in April and September of 1904 (see circulars to division superintendents Nos. 17 and 59 of that year). As a result of the first examination 10 students were appointed—8 male and 2 female—leaving the islands by military transport on the 15th of August. As a result of the September examination, 26 boys and 3 girls sailed for the United States December 15, 1904. Appointments in the United States were made sufficient to bring the total number up to 143; but, through the death of one of the young men from Batangas, and the return to the islands of a student of Cagayan Province, the government appointees in the United States were reduced in number to 141 prior to the date of this report. The manner of their reception in the United States, the schools in which they are located, and the success of their first month's study are detailed fully in an appendix to this report—a statement by Mr. W. Alex. Sutherland, superintendent of Filipino students in the United States.

Examination questions circulated in March, 1905, are noted in full, supplementary to circular to division superintendents, No. 21 current series. This test was similar in point of difficulty and subjects covered to those previously offered, but greater care was exercised in the admission of applicants and the method of conducting the examination. A well-qualified committee of teachers, appointed by the general superintendent, graded very carefully the 384 sets of papers resulting from the examination. Only 47 candidates succeeded in securing ratings which gave them eligibility for appointment. In this connection it should be noted that act No. 854 specifies that a grade of 75 per cent or over must be secured by a candidate in each subject of examination as a passing grade. This ruling is exceedingly severe and bars many of the most capable students from consideration for appointment. The requirement of an average of, perhaps, 80 per cent would result more satisfactorily. Of the 384 candidates, representing every school division in the archipelago, the one securing the highest rating, an average of 96 per cent, was a 12-year-old girl student of the Provincial School of Romblon. Being under 16 years of age, she was, of course, not eligible for actual appointment. Four others of the 47 were also found to be below 16 years of age. The remaining number were called to Manila and given a rigid physical examination under the direction of the commissioner of public health. This examination debarred two more. Of the remainder, one could not receive further consideration because of his being a married man. The 37 appointees are named below:

Name.	Province.	Age.	Sex.	Average.
Tuason, Pedro	Bataán	20	M.	85.00
Reyes, Carmelo	Batangas	18	M.	88.00
Villanueva, Vicente	do.	18	M.	88.37
Argüelles, Angel	do.	16	M.	89.37
Alas, Antonio de las	do.	16	M.	83.25
Salamanca, Olivia	Cavite	16	F.	92.37
Toledo, Antonio	do.	16	M.	86.12
Topacio, Teodulo	do.	17	M.	85.37
Osmeña, Mariano	Cebu	16	M.	90.37
Alvano, Juan R.	Ilocos Norte	16	M.	87.62
Piedad, Juan	do.	20	M.	84.62
Tolentino, Mariano	Ilocos Sur	19	M.	95.06
García, Rufino	do.	17	M.	89.87
Foronda, Manuel	do.	18	M.	80.00
Lazo, Mauricio	do.	18	M.	88.25
Pendon, Claro	Iloilo	20	M.	82.75
Sindico, Pedro	do.	20	M.	83.25
Alcazar, Adriano	do.	16	M.	90.00
Glaon, Ambrosio	do.	22	M.	88.82
Benítez, Francisco	Laguna	18	M.	95.06
Soriano, Oscar	do.	18	M.	89.31
Teodoro, José	do.	17	M.	89.06
Ramoso, Ernesto I.	Nueva Ecija	19	M.	86.87
Bautista, Santiago	do.	16	M.	96.25
Paz, Daniel de la	do.	18	M.	90.12
Muñoz, Frederico J.	Manila	18	M.	93.25
Cruz, Adriano	do.	17	M.	84.37
Licup, Roman	Pampanga	18	M.	91.87
Datu, Mauro M.	do.	18	M.	88.25
Gutiérrez, Perpetuo	do.	16	M.	84.05
Asturias, Clementa T.	Romblón	18	F.	91.37
Elumba, Pilar	Surigao	18	F.	89.00
Sánchez, Proceso	Tarlac	18	M.	88.00
Obleñas, Victor	Tayabas	17	M.	89.37
Oslas, Camilo	Unión	18	M.	89.12
Difoso, Silverio	Zambales	19	M.	89.00
Oteyza, Maurice J.	Manila	19	M.	89.00

These students, with one exception, left the islands on the 15th of August on the *Tean* to take passage at Hongkong on the Pacific mail steamship *Manchuria*. They were accompanied by Mr. Henry S. Townsend, division superintendent of schools for Samar, and Mrs. Winnifred M. Campbell, a teacher, who were appointed as care takers and were directed to turn the students safely over to Mr. Sutherland at San Francisco. The one remaining student left on the steamship *Coptic*, September 2, in care of the provincial treasurer of Laguna.

Many of the students who have been sent to the United States during the past two years have not been prepared to secure the greatest advantage from this privilege. A considerable number of them, particularly the first appointees, have barely been fitted for entrance to first-class high schools. The bureau of education is now prepared to offer here thorough instruction in secondary courses, and it seems best to considerably raise the standard for appointment to government scholarship in the United States. With the consent of the

secretary of public instruction the following circular was issued from this office to division superintendents on July 13 last:

"QUALIFICATIONS FOR APPOINTMENT TO GOVERNMENT SCHOLARSHIPS.

"It seems desirable at this time to announce that the qualifications for appointment to government scholarships in the United States will probably be considerably raised another year. Heretofore examinations held have been such as would qualify the students to enter high schools in the United States. It is obvious that it would be very desirable that our students should go from here ready to enter either colleges or special training schools. It is believed that students who have completed the first two years of the secondary course of instruction would be able to answer this requirement. It is suggested that the requirements for appointment next spring be, first, the completion of an intermediate course as evidenced by the possession of an intermediate certificate, and, second, the passing of an examination covering the first two years of the secondary courses. The subjects of the examination to be as follows:

"Required subjects.—English literature; minor prose and poetic selections; algebra through quadratics; plane geometry; general history; political history of the Philippines and the history of Philippine industry and commerce; botany, including one year of laboratory work with submission of notebooks; zoology.

"Optional subjects.—Latin, two years; Spanish, two years; French, two years; German, two years; bookkeeping; commercial geography; methods of primary instruction; theory and history of teaching; agriculture; typewriting; mechanical drawing; shopwork in either wood or iron.

"There shall be required, in addition to the required subjects, at least two years of work in one optional subject or one year of work in two optional subjects, on which examination must be taken."

Students selected as a result of this test will be very well prepared to enter technical courses of instruction in the United States.

Pursuant to instructions of the Secretary of War, through the secretary of public instruction, this office has undertaken to furnish Mr. Sutherland with the denominational preferences of all government scholarship appointees. On February 7 of this year all division superintendents of schools were directed to secure from the parent or guardian of each appointee signed and witnessed replies to the following inquiries:

1. What religion does your son, or ward, profess?
2. What course do you desire your son, or ward, to pursue in his studies in the United States?
3. Do you desire that your son, or ward, attend a denominational school? If so, of what denomination?
4. Is it your desire that your son, or ward, be secured boarding accommodations in a family of any particular religion? If so, of what religion?

An effort has been made to follow in all cases the expressed desire of parents or guardians.

**REPORT OF WM. ALEX. SUTHERLAND, SUPERINTENDENT OF FILIPINO STUDENTS
IN THE UNITED STATES, FOR THE YEAR ENDING JUNE 30, 1905.**

July 1, 1904, found the entire Filipino student body at Santa Barbara, Cal., in attendance at the summer school provided for them at that place. The students had been gathered from the various towns in southern California, where they had been located since their arrival in the United States in November, 1903. The students had worked hard during their first year in American schools and had made a good impression upon those with whom they had come in contact by their earnestness, studiousness, and gentlemanly behavior. For the month of July, therefore, it was decided to provide them with instruction only during the forenoon of each day and only such as would require a comparatively small amount of study outside of recitation hours for preparation. The remainder of the day they were allowed and encouraged to dedicate mainly to recreation and enjoyment. Able instructors were provided them, however, and the work that was given was quite thorough. The students had by this time decided definitely upon the courses they desired to pursue in this country and their study was directed mainly to preparation, especially for the work they anticipated taking up.

It was not intended, however, that the month of July should be dedicated exclusively to study and school work. The use of tennis courts, basket ball, and baseball grounds was therefore secured for their athletic sports, while the mountain and seashore drives and walks also furnished opportunity for enjoyable recreation. Many of the students have

become fairly proficient in the games of baseball, tennis, and basket ball, and nearly all of them took part more or less in the games mentioned. The students organized an orchestra of some twenty pieces and the needed instruments were rented. There were also mandolin quartettes and other smaller musical clubs. Under the direction of Professor Thompson, a large number of American national airs and other choruses were learned and sung with great vim and more or less precision.

Four public debates were given by the students, one each week, in each of which one-fourth of the whole number of students took part. Thus, all the students debated. These debates were given in public and were attended by the citizens in general of Santa Barbara. Judges on the debates were selected among the citizens in the audience, and it happened that all their decisions were rendered in favor of the affirmative side of the subjects. These subjects, as may be seen, were selected to cover a wide range of questions, being as follows:

"Resolved, that capital punishment should be abolished."

"Resolved, that Cæsar was a greater general than Napoleon."

"Resolved, that in the present eastern conflict the causes of civilization would be better served by the victory of the Russians than by that of the Japanese."

"Resolved, that free trade should be established between the Philippine Islands and the United States."

The capacity of the house was crowded upon the occasion of the last debate, and the decision of the judges seemed thoroughly approved, despite the fact that the personal sympathies of the majority of the people of this and other surrounding communities seem to be adverse to the proposition.

Another entertainment given during the session was one conducted by the teachers of the summer school, in which each teacher gave an address. These addresses were mainly composed of wholesome advice to the Filipino students concerning their education and their civic duties.

The final entertainment by the students was given in honor of the citizens of Santa Barbara on July 29, 1904.

The 100 students left Santa Barbara and southern California on July 31, and it is safe to say that the preponderance of sentiment at those places, where they had spent their last year, was exceedingly favorable to them and that they left with the best wishes of those who had come to know them.

After a delay of twenty-four hours en route, due to a washout in Arizona, the students arrived at St. Louis. They were conducted at once to quarters at the Philippine reservation in the World's Fair grounds, which had been provided for them by direction of Colonel Edwards, chief of the Bureau of Insular Affairs. A cot with the necessary bedding had been previously provided for each student, and a large room together with several smaller ones were assigned to their use in the upper story of the constabulary quarters. The students themselves took care of their quarters. For their food arrangements were provided a large tent for a dining room and smaller tents for kitchen and cook's quarters. These were more than amply supplied with the utensils necessary.

Happily, the students were able to serve a very useful purpose to their country by their stay at the exposition. They furnished their services three hours each day to the exposition board. These services consisted partly of clerical work, such as the compilation of juries' awards, but mainly in service as guides to visitors in the different Philippine buildings. This latter service seemed to consist rather in conversation concerning themselves, their people, their homes, and their government than in descriptions or explanations of the exhibit. Though explanations were given when desired, they did not seem to be necessary on account of the highly satisfactory explanatory labels carried by each exhibit. Nor were such explanations of so vital an interest to the visitors as the Filipino people themselves. In this connection, I may add that the students did probably more than any other agency to confute the idea, which unfortunately became rather general, that the non-Christian tribes, so plentifully exhibited and energetically advertised, comprised what is generally understood to be "the Filipino people."

The splendid collection of exhibits displayed by the Philippine government itself was perhaps the best part of the education to the students while at the fair, for they received a broader and more detailed knowledge of their own country, its products, and its industries, its resources and its possibilities, than they had been able to contemplate in their entire lives before leaving the islands. The means adopted which tended most to secure this result, was that of changing the students every few days from one building to another of the Philippine Exposition.

Every kindness and courtesy was extended to the students by the Philippine exposition board, its employees, the officers of the constabulary and scouts, and the enlisted men. Among these last many of the boys found former friends from their own towns and provinces. A letter was provided me by the executive officer of the exposition board to the managers of the better class of private concessions on the Pike and throughout the exposition. I accompanied the students en masse to visit outside of their working hours a large number of these attractions. I also accompanied them as much as my time would allow to visit certain of the special exhibits; for instance, the engineering students visited the railroad

exhibits in the Transportation Building; the normal students, the Educational Building. Outside the regular period of their three hours' work per day and of such other times as they were assigned to special duties, on guard and the like, the students were allowed entire liberty to visit the general exposition buildings. It is of course impossible to estimate the exact benefits derived by the students from their stay of one month at this great exposition. It is certain, however, that no one feature of their stay in this country could possibly be of so great an educational value to them.

During the time the Filipino students were at St. Louis I was engaged in completing arrangements for their entrance into the respective schools to which they had been assigned. Thus their entrance into the schools, their boarding and rooming place, and the multitude of other necessary matters were attended to before they went to these places. Along in the last part of August I received a cablegram from the governor-general, instructing me to meet the new students, who were to arrive at San Francisco about the middle of September. This made it impossible for me to accompany any of the 1903 students to their new places, and it was therefore necessary to send them alone. At my telegraphic request they were met upon arrival in their respective towns by officials of the schools. While en route to their towns they were intrusted to the care of special representatives of railway companies over whose road they traveled, this having been made one of the conditions in the transportation agreement with the railroad companies. All of the students left St. Louis on the 2d, 3d, and 4th of September.

On September 8, after having received telegrams informing me of the safe arrival of all the students at their schools, I left for the Pacific coast to meet ten new students of the 1904 allotment. As two of these new students were girls, my wife accompanied me to San Francisco for the purpose of providing proper chaperonage for these girls and purchasing for them suitable outfits of American clothing. This was in pursuance of instructions to that effect from the governor-general and from Gen. James F. Smith, secretary of public instruction.

It has been the policy of the undersigned in advising the students with regard to the best courses for them to follow in cases where the student himself is not fully decided in his own mind what he wishes to study, and taking into account the demonstrated bent of the student himself, to recommend the student to adopt a course which, while it may not result in the most considerable future pecuniary benefit to the student himself, will in all probability result in the greatest possible good to his fellow-countrymen. Agriculture, normal and engineering courses, with perhaps the medical, but to the exclusion of the legal profession and the merely clerical or business professions, are believed to be such beneficial courses. It has even been recommended by the undersigned that few or no students desiring to pursue the legal profession be sent to this country for study, and that all agree to teach, if called upon, when they return to the Philippine Islands, irrespective of the course followed in America.

With gratification, I desire to state that the authorities of the different schools, without exception, have shown themselves most obliging in the matter of allowing the students to specialize in the different courses which they have mapped out for themselves. A student comes to a university with inadequate preparation; if he were obliged to take all of the subjects required it would take him probably double the time he has at his disposal to complete his work and to obtain a degree. Instead of this, however, the Filipino student has been allowed the privilege, not often granted the American student, to take those subjects only which bear direct relation with the course he has in view, and which will give him the best possible acquaintance with his course and the most practical phases of his work in his four years in this country.

The number of students in the United States being educated by the Philippine government is now 141. One student, Ciriaco Morada, at the Agricultural College, Ames, Iowa, died on April 22, 1905, of peritonitis. This sad case, which is the only death among the Filipino student body, was made the subject of a special report, dated April 24, 1905. The remains of this student were returned to the Philippines and to his home on the United States Army transport leaving San Francisco May 2, 1905. This young man was a most exemplary student, and no criticism of any kind was ever made concerning his conduct or his diligence in work, while he was in my charge. His school work and his outside life were alike most creditable, and during his last illness his chief desire was to get well and continue his work. "For," he said upon the occasion of my last visit to him, "there is so much to do in my country we must all do our best work to get ready to do it when we go back home." Another student has been operated upon several times for tuberculous glands in the neck. Through fear of his becoming affected more seriously I moved him to the University of Colorado. The high and dry climate in the month he has already been there has seemed to prove most beneficial to his case. He is also undergoing an X-ray treatment, which has proven very satisfactory. This young man has been pursuing a medical course and will continue in this course at his present location.

Another student was returned to the Philippines for misconduct during an attack of mental aberration. This case was also made the subject of a special report at the time

of its occurrence. No other cases of serious illness among the student body have occurred prior to the date of this report.

I have no means of determining how much money is sent to the students by their relatives in the Philippines, but I would recommend to such relatives and friends that they send very small amounts, or preferably none at all, to the students supported by the government in this country. Their necessary expense being provided for by the government, any considerable amount above that is virtually sure to produce extravagance and possibly habits that are inimical to serious and earnest work in their school courses. It is quite certain that no student has been allowed to want for anything reasonable for which he has made request.

Prior to the date of this report a number of changes have been made in the location of the schools of the students. This has become necessary in order to provide the student with proper instruction during the summer.

I requested the head of each institution wherein government Filipino students were located to obtain from the different teachers having any of the Filipino students in their classes a detailed report concerning the work of these students in their respective classes.

(Mr. Sutherland concludes his report with quotations from officers and instructors of the various schools in which these students are located. It appears that these young men and women, with very few exceptions, are applying themselves intelligently and faithfully to their school duties. It is reported that their work is similar in grade to that of the average pupils in their classes. In not a few instances they rank among the leading members of their classes. Those students against whom criticism is raised are lacking not in intelligence, but in application and earnestness. The following reports on the four students who attended the University of Indiana last year illustrate very fairly the above types:)

"The four students at this institution are studying law. In the study of criminal procedure B. is undoubtedly the strongest of the four students, while V. must be rated as the weakest. His slow progress may be accounted for to a degree perhaps by the fact that his social demands have drawn rather heavily upon him at times. I am informed also that he is teaching a private class in Spanish, in which he gives instruction three hours a week, which may interfere somewhat with his other work. V., in the mid-term report, was marked 'failed' in only one subject, civil procedure, a two-hour course. This would usually have resulted in his being dropped from that class, but he has given promise of doing better, and Professor Hepburn has concluded to permit him to continue in the class to the end of the year. I trust that he may be able to get through satisfactorily. D. and J. are both above the average. All four of these students are punctual in their attendance in class, and with the possible exception of V. thoroughly interested in their work. Their deportment is all that is desired.

"Other instructors say: 'In common law pleading D., J., and B. are all doing good work and have been doing good work from the first. V. has not been so successful. He is naturally not so sound a student as the other three. I can notice an improvement in his work during the spring term. All four of them have also done work in the moot court. I appointed D. clerk of the moot court and have found him very faithful in his duties there. All four of these students are regular in their attendance upon my class and attentive. In criminal law they have all been prompt in attendance, attentive to all recitations, and quick to respond to questions put to the class as a whole. They have manifested an interest in the subjects taught, and their work has been entirely satisfactory. There may be some slight distinction among them as to application and degree of proficiency, but none worthy of note. I am pleased with their progress in the subject taught. They have all taken the same courses. During the fall term of 1904 they were in my classes in contracts, personal and domestic relations, and torts. During the winter term they were members of my classes in contracts, torts, property, and moot court. During the present spring term they are in my class in agency. Speaking of each separately and beginning with B., I soon discovered that he was a very earnest, conscientious, hard-working student. He soon convinced me and his classmates that in scholarship and ability he had few, if any, superiors in each of the above classes, and that he was the ablest of the four Filipinos. I am pleased to say that he has maintained this high standard in all his work with me. J. and D. rank next to B., and I find it difficult to say which is the better in scholarship and ability. But I must say that they are both very good students. J. is probably a harder worker than D. and possesses a more manly disposition, yet I find no fault with the disposition of D. These two students depend much upon memory and are not such clear reasoners as B.; nor are they able to comprehend a difficult and complex case so readily as he, but they are above the average of their respective classes, and their work in all my classes has been very satisfactory. V. I find reserved and distant; not easily approached. He has not as yet shown himself as possessing the ability of either of the others. I think he does not apply himself as do the others, yet he has the ability to pass a very creditable examination. He does not depend upon his memory as do J. and D., but he is not the reasoner that B. is. As to class standing, he is not above the average in any of the subjects he has studied with me. His work compares favorably with that of the majority of our other students, and as such is satisfactory.'"

FILIPINO STUDENTS IN THE UNITED STATES, THE PROVINCE FROM WHICH EACH WAS APPOINTED, AND THE INSTITUTION IN THE UNITED STATES WHICH EACH IS ATTENDING (REVISED TO FEBRUARY 1, 1905).

Abaya, Timoteo (Laguna), Buiness College, Dixon, Ill.
 Acosta (Miss), Honoria (Pangasinan), Drexel Institute, Philadelphia.
 Acosta, Rafael (Pangasinan), State Normal School, West Chester, Pa.
 Agana, Bernado (Tarlac), University of Cincinnati, Cincinnati, Ohio.
 Agcaoili, Romarico (Ilocos Norte), Cornell University, Ithaca, N. Y.
 Aguilar, Andrés (Cebú), School of Industrial Art of Pennsylvania Museum, Philadelphia
 Alba, Digno (Cázip), Boys' Hall, State Normal School, Trenton, N. J.
 Alcazar, Candido (Iloilo), James Milliken University, Decatur, Ill.
 Aligada, Orencio (Masbate), State Normal School, Normal, Ill.
 Alvarez, Ramón (Zamboanga), Agricultural College, Lansing, Mich.
 Apóstol, Silverio (Zambales), Purdue University, Lafayette, Ind.
 Arboleda, José (Albay), University of Cincinnati, Cincinnati, Ohio.
 Arreza, Lino (Surigao), St. Vincent's College, Los Angeles, Cal.
 Avelino, Juan (Cavite), Oberlin College, Oberlin, Ohio.
 Avisado, Pastor (Ilocos Sur), Agricultural College, Mich.
 Baltasar, Apolinario (Manila), Cornell University, Ithaca, N. Y.
 Baluyut, Sotero (Pampanga), care of J. B. Nichols, Santa Ana, Cal.
 Bantug, José (Nueva Ecija), Santa Clara College, Santa Clara, Cal.
 Barretto, Carlos (Manila), School of Industrial Art of Pennsylvania Museum, Philadelphia
 Batungbacal, José (Bataán), State Normal School, Oswego, N. Y.
 Billedo, Mariano (Abra), Agricultural College, Ames, Iowa.
 Bocobo, George (Tarlac), Indiana University, Bloomington, Ind.
 Borja, Firmo (Laguna), State Normal School, West Chester, Pa.
 Borja, Victorino (Laguna), Notre Dame University, Notre Dame, Ind.
 Bueno, Pablo (Oriental Negros), State Normal School, Normal, Ill.
 Burgos, José (Manila), University of Cincinnati, Cincinnati, Ohio.
 Cabrera, Joseph (Cebú), State Normal School, Dekalb, Ill.
 Cajulis, Félix (Cavite), Dixon Business College, Dixon, Ill.
 Carbonell, Mariano (Unión), State Normal School, Dekalb, Ill.
 Cruz, Mariano (Laguna), University of Tennessee, Knoxville, Tenn.
 Cuenco, J. Ma. (Cebú), Georgetown University, Georgetown, D. C.
 Delgado, Francisco (Manila), Indiana University, Bloomington, Ind.
 Donato, Anastacio (Cagayán), Business College, Dixon, Ill.
 Espinola, Gregorio (Sorsogón), Eastman Business College, Poughkeepsie, N. Y.
 Espiritu, José (Pampanga), State Normal School, Trenton, N. J.
 Favis, Asterio (Ilocos Sur), University of Tennessee, Knoxville, Tenn.
 Fernández, Vicente (Paragua), State Normal School, West Chester, Pa.
 Florendo (Miss), Elizabeth (Ilocos Sur), St. Mary's Academy, Notre Dame, Ind.
 Flores, Gabriel (Manila), University of Missouri, Columbia, Mo.
 Formoso, Arsenio (Ilocos Sur), University of Cincinnati, Cincinnati, Ohio.
 Fragante, Vicente (Ilocos Sur), James Milliken University, Decatur, Ill.
 Francisco, Luis (Batangas), Notre Dame University, Notre Dame, Ind.
 Gallardo, Marcelino (Nueva Ecija), care of Santa Clara College, Santa Clara, Cal.
 Gallardo, Silvino (Rizal), Business College, Dixon, Ill.
 García, Arturo (Manila), University of Missouri, Columbia, Mo.
 Gómez, José (Manila), Institute of Technology, Boston, Mass.
 Gómez, Liborio (Manila), University of Missouri, Columbia, Mo.
 Gómez, Pastor (Manila), care of J. B. Nichols, Santa Ana, Cal.
 Gonzaga, Isaias (Cebú), University of Tennessee, Knoxville, Tenn.
 Gonzales, José (Surigao), Business College, Dixon, Ill.
 Gonzales, Manuel (Pangasinán), care of B. W. Handy, Riverside, Cal.
 Guazon, Potenciano (Manila), University of Missouri, Columbia, Mo.
 Guerrero, Ángel (Ilocos Norte), care of Mrs. Vina Rose, Whittier, Cal.
 Hernando, Hipólito (Ilocos Norte), University of Cincinnati, Cincinnati, Ohio
 Hidalgo, Marceliano (Pangasinán), James Milliken University, Decatur, Ill.
 Hidrosollo, Ludovico (Cázip), Agricultural College, Lansing, Mich.
 Hilario, Juan (Batangas), Santa Clara College, Santa Clara, Cal.
 Hipólito, Segundo (Manila), State Normal School, Dekalb, Ill.
 Huising, Gerónimo (Iloilo), care of J. B. Nichols, Santa Ana, Cal.
 Ibalio, Esteban (Ilocos Norte), Manual Training High School, Indianapolis, Ind.
 Ilustre, Eustacio (Batangas), State Normal School, Trenton, N. J.
 Inés, León (Ilocos Sur), Agricultural College, Ames, Iowa.
 Jaranilla, Delfin (Iloilo), University of Tennessee, Knoxville, Tenn.

Joya, Mariano de (Batangas), Indiana University, Bloomington, Ind.
 Kasilag, Marshall (Batangas), James Milliken University, Decatur, Ill.
 Larracas, Fidel (Tayabas), James Milliken University, Decatur, Ill.
 Laygo, Pacifico (Batangas), University of Missouri, Columbia, Mo.
 León, Eleanor de (Ilocos Sur), St. Mary's Academy, Notre Dame, Ind.
 León, J. V. de (Bulacán), care of Harvey Collins, Redlands, Cal.
 Llamado, Francisco (Cavite), State Normal School, Oswego, N. Y.
 Llamas (Miss), Genoveva (Laguna), care of St. Mary's Academy, Notre Dame, Ind.
 Lomibao, Roque (Pangasinán), State Normal School, Normal, Ill.
 López, Carlos (Iloilo), Cornell University, Ithaca, N. Y.
 López, Saturnino (Nueva Ecija), Manuel Training School, Indianapolis, Ind.
 Lorenzo, Tomás (Pampanga), Dixon Business College, Dixon, Ill.
 Maceda, Sixto (Laguna), care of Mrs. Vina Rose, Whittier, Cal.
 Magaysay, Ambrosio (Zambales), Agricultural College, Ames, Iowa.
 Manalo, Vicente (Cavite), Manual Training High School, Indianapolis, Ind.
 Manuel, Gregorio (Cebú), State Normal School, Dekalb, Ill.
 Martínez, Rufus (Iloilo), University of Cincinnati, Cincinnati, Ohio.
 Monasterial, Cenón (Nueva Ecija), State Normal School, Oswego, N. Y.
 Mondofedo, Mariano (Isabela), Agricultural College, Ames, Iowa.
 Montenegro, Rafael (Oriental Negros), Agricultural College, Lansing, Mich.
 Morado, Ciriaco (Batangas), Agricultural College, Ames, Iowa.
 Muñoz, José (Pangasinán), State Normal School, West Chester, Pa.
 Nación, Pablo (Albay), State Normal School, Oswego, N. Y.
 Nakpil, Ramón (Manila), School of Industrial Art of Pennsylvania Museum, Philadelphia, Pa.
 Natividad, Domingo (Antique), State Normal School, Normal, Ill.
 Nava, León (Iloilo), Eastman Business College, Poughkeepsie, N. Y.
 Nera, Antonio (Unión), State Normal School, De Kalb, Ill.
 Nicdao, Miguel (Pampanga), State Normal School, Normal, Ill.
 Nieva, José (Manila), University of Tennessee, Knoxville, Tenn.
 Ochoa, Ramón (Manila), State Normal School, Oswego, N. Y.
 Oliver, Florentino (Ambos Camarines), Agricultural College, Ames, Iowa.
 Onrubia, Lorenzo (Cavite), High School, Ann Arbor, Mich.
 Pagaduan, Wm. (Ilocos Sur), Notre Dame University, Notre Dame, Ind.
 Palmares, Balbino (Iloilo), Agricultural College, Lansing, Mich.
 Paredes, Gregorio (Cavite), School of Industrial Art of Pennsylvania Museum, Philadelphia, Pa.
 Patdu, Ildefonso (Manila), Purdue University, Lafayette, Ind.
 Paz, Fabian de la (Pampanga), care of A. Harvey Collins, Redlands, Cal.
 Ponce, Alfonso V. (Bulacán), care of A. Harvey Collins, Redlands, Cal.
 Quirino, Ernesto (Unión), Oberlin College, Oberlin, Ohio.
 Quisumbing, Emilio (Manila), Cornell University, Ithaca, N. Y.
 Ramírez, Eduardo (Bohol), Manual Training High School, Indianapolis, Ind.
 Ramírez, Gregorio (Bulacán), State Normal School, De Kalb, Ill.
 Ramos, Joaquín (Tarlac), University of Tennessee, Knoxville, Tenn.
 Ramos, Justo (Bulacán), State Normal School, West Chester, Pa.
 Reyes, Francisco (Manila), Institute of Technology, Boston, Mass.
 Reyna, José (Ilocos Sur), State Normal School, West Chester, Pa.
 Rico, Graciano (Iloilo), Notre Dame University, Notre Dame, Ind.
 Rivera, José (Laguna), Purdue University, Lafayette, Ind.
 Roa, Manuel (Misamis), St. Vincent's College, Los Angeles, Cal.
 Rocha, Zacarias (Bohol), St. Vincent's College, Los Angeles, Cal.
 Roco, Mateo (Manila), Institute of Technology, Boston, Mass.
 Rosario, Ignacio (Manila), Eastman Business College, Poughkeepsie, N. Y.
 Ruiz, Pelagio (Ilocos Norte), Boys' Hall, State Normal School, Trenton, N. J.
 San José, Domingo (Ambos Camarines), Manual Training High School, Indianapolis, Ind.
 Santos, Alejandro (Manila), State Normal School, Oswego, N. Y.
 Santos, Gervasio (Pampanga), Santa Clara College, Santa Clara, Cal.
 Santos, José (Pampanga), Santa Clara College, Santa Clara, Cal.
 Sanvictores, José A. (Pampanga), Oberlin College, Oberlin, Ohio.
 Serrano, Pedro (Sorsogón), Boys' Hall, State Normal School, Trenton, N. J.
 Sevilla, Andrés (Leyte), Agricultural College, Lansing, Mich.
 Sison, Antonio (Manila), University of Missouri, Columbia, Mo.
 Sison (Miss), Louisa (Pangasinán), Drexel Institute, Philadelphia, Pa.
 Sunga, Benito (Bulacán), State Normal School, Trenton, N. J.
 Súnico, George (Manila), Washington, D. C.
 Tolentino, Eufronio V., Washington, D. C.

Torre Franca, Cirilo (Iloilo), Notre Dame, University, Notre Dame, Ind.
 Tuason, Alfonso (Manila), Purdue University, Lafayette, Ind.
 Ungson, Rafael (Pangasinan), Notre Dame University, Notre Dame, Ind.
 Urtula, Dalmacio (Pangasinan), care of Mrs. Vina Rose, Whittier, Cal.
 Valderas, Hilarión (Tayabas), Eastman Business College, Poughkeepsie, N. Y.
 Valdés, José (Manila), Indiana University, Bloomington, Ind.
 Valencia, Félix (Iloilo), James Milliken University, Decatur, Ill.
 Vallarta, Julian (Nueva Ecija), St. Vincent's College, Los Angeles, Cal.
 Varela, Vicente (Occidental Negros), State Normal School, Normal, Ill.
 Velez, Natalio (Occidental Negros), Oberlin College, Oberlin, Ohio.
 Veyra, Martín de (Manila), College of the Holy Cross, Worcester, Mass.
 Villanueva, Bonifacio (Batangas), care of A. Harvey Collins, Redlands, Cal.
 Villanueva, Emilio (Occidental Negros), Manual Training High School, Indianapolis, Ind.
 Ycasiano, Francisco (Manila), Cornell University, Ithaca, N. Y.
 Yumul, Victoriano (Pampanga), St. Vincent's College, Los Angeles, Cal.

RECORD AND REPORT FORMS OF THE BUREAU OF EDUCATION.

The general office of the bureau of education has prepared a complete system of report forms which insures full and accurate record of enrollment and attendance in the schools, individual service of each superintendent, supervisor, American and Filipino teacher, distribution and use of school supplies, collection and disbursement of school funds, construction and repair of school buildings, and construction of school furniture.

These report forms, all of which are devised to meet local conditions, are as follows:

RECORD FORM No. 1.—PUBLIC SCHOOL REGISTER.

One of these registers is used in every class room in the islands, and in it is recorded the sex, age, residence, attendance, name of parent or guardian, and detailed records of all books issued to a pupil or returned by him.

RECORD FORM No. 2.—CLASS ROOM TEACHERS' MONTHLY REPORT.

This form is forwarded promptly at the end of each month to the supervising teacher of the district. It records on each day of the month the enrollment for that month and enrollment for the year, the number who have left and returned during the year to date, number belonging, and the actual attendance, male and female, of the primary, intermediate, and secondary grades.

RECORD FORM No. 3.—SUPERVISING TEACHERS' MONTHLY REPORT.

This is a condensation of all class-room teachers' reports and embodies for the whole district the information which is given in detail on report Form No. 2. It goes to the division superintendent at the end of each month.

RECORD FORM No. 4.—TEACHER'S CLASS MONTHLY REPORT.

It is prepared by the supervising teacher of each district and forwarded to the division superintendent. It records the attendance of each Filipino teacher and aspirante upon the sessions of special classes for municipal teachers.

RECORD FORM No. 5.—NIGHT SCHOOL MONTHLY REPORT.

This is forwarded by each night school teacher to the division superintendent, stating the dates of night school sessions and time of opening classes, the attendance, male and female, making special mention of the number of pupils present over 21 years of age.

RECORD FORM No. 6.—REPORT OF SCHOOLS AND TEACHERS.

This report is rendered monthly by each division superintendent to the general superintendent of education. It presents a monthly review of public school work in every town and barrio in the archipelago. The report embodies a statement of each school district, its population, the number of its barrios, its estimated school population, name and number of each school established within its limits, the names of American and Filipino insular

teachers, the enrollment in each day school for the current month and current year, the average number belonging, the average attendance, the percentage of attendance, and the number of days of school; also the enrollment and attendance and number of sessions of night schools and teachers' classes. The enrollment is also stated by years, giving the number of pupils in each school in the primary course, first, second, and third grades, intermediate course, fourth, fifth, and sixth grades, and in each year of the secondary course.

A supplement to this report prepared semiannually by the division superintendents, gives the following information about every Filipino teacher drawing salary from public funds: Name of teacher, station, salary per month, number of years of service in American schools, number of years of service in Spanish schools, attainments, efficiency, and whether or not the teacher holds diploma or certificate.

RECORD FORM NO. 7.—REPORT OF ABSENCES OF INSULAR TEACHERS.

This form is prepared monthly by each division superintendent and forwarded to the general superintendent of education. It states the inclusive dates of all absences of teachers drawing salary from insular funds, with the causes of such absences.

RECORD FORM NO. 8.—CHARACTER AND EFFICIENCY REPORT ON INSULAR TEACHERS.

This form records the teaching experience in the United States of an employee and his teaching experience in the Philippines, the latter including a full statement of his record to date, with mention of all absence from duty, the various positions in which he has served, the number of teachers, American and Filipino, whom he has supervised, and the number and character of schools he has established.

Supplementary to this form there is submitted semiannually by the division superintendent a statement of the efficiency of each teacher, as follows: His success as an organizer in meeting local conditions and difficulties, his ability as a teacher, his personal qualities, courage, adaptability, sincerity, fidelity, courtesy, energy, quantity of work done, physical condition, punctuality, attendance, standing in community, and whether or not the teacher is open to the suggestions of his supervisor.

RECORD FORM NO. 9.—REPORT ON SCHOOL SUPPLIES.

This is rendered annually by the supervising teacher of each district to his division superintendent. It states number of each school text and article of supply on hand at the date of the report, the number serviceable and that can be used another year, whether stored or turned over to some other office of the government. This report, together with the monthly statement of the number of pupils in each grade in every town of the archipelago, enables the general office to determine the amount of school supplies that should properly be shipped to each municipality.

RECORD FORM NO. 10.—BUILDING DATA FOR SCHOOLHOUSES.

This report is rendered by the division superintendent to the general office whenever request is made for the preparation of school plans. It states the dimensions and nature of the proposed site and furnishes data as to the character and cost of materials obtainable locally and cost of labor.

RECORD FORM NO. 11.—REPORT ON SCHOOL BUILDINGS.

This report is rendered annually by each division superintendent to the general superintendent of education. It states the name of each school in every municipality, the character of building, whether stone, wood, or nipa, character of frame, walls, and roof, dimensions of buildings and number of rooms; if leased, the monthly rental paid; if owned by the government, the date of construction, original cost in money, any contributed labor, cost of repairs, present value of building, and its present condition, funds from which expenses of repair are borne, and remarks as to adequacy of present building.

RECORD FORM NO. 12.—REPORT OF SCHOOL FUNDS.

This report is rendered annually by the division superintendent to the general office. It states the receipts of every municipality for school purposes from internal revenue, land tax, by appropriation or loan from general funds and other sources; also all expenditures for school purposes in each municipality, construction of school buildings, repair and rental of school buildings, salaries of teachers, purchase, construction, or repair of school furniture, transportation of supplies, and miscellaneous. Statement is also submitted of amount of undischarged obligations.

RECORD FORM No. 13.—REQUISITIONS FOR SCHOOL SUPPLIES.

This report is submitted by each supervising teacher through his division superintendent to the general office when further school supplies are required.

RECORD FORM No. 14.—SUPERVISING TEACHERS' REPORT.

This form is supplementary to Form No. 3. It is a detailed record of services of a supervising teacher, stating the distances traveled during the month, the kind of transportation used, the expense, the hours so employed, the name of the schools visited, the number of pupils present, and hours spent in instruction.

NOTE.—Copies of the above-mentioned blank forms are on file in the War Department.

RECENT AND PENDING PUBLICATIONS OF THE BUREAU OF EDUCATION.

In order to set before the American and Filipino teaching force and the more influential Filipino people throughout the islands the status and the aims of its educational work, this bureau has undertaken the publication of a series of bulletins. Some of these have to do with the organization of school work, others are descriptive of the work of special schools, and still others serve as supplementary texts and outlines for special lines of instruction. The subjects of these bulletins are noted below:

- Bulletin No. 1. (Spanish and English) 1904: The Philippine Normal School. An illustrated announcement of the organization of the Normal School, with review of the work of the school year 1903-4. (41 pages.)
- Bulletin No. 2. A course of study in vocal music for vacation normal institutes. Prepared by Mrs. Mary E. Gordon-Dunster, supervisor of music. This served as an outline in instruction in music in normal institutes throughout the archipelago in the summer of 1904.
- Bulletin No. 3. (Spanish and English.) The Philippine School of Arts and Trades. An illustrated announcement of the courses and methods of instruction in the trade school with prospectus for 1904-5.
- Bulletin No. 4. (Spanish and English.) The Philippine Nautical School. An illustrated pamphlet stating purposes of the Nautical School, conditions of admission, and graduation, courses of instruction, etc. (42 pages.)
- Bulletin No. 5. Notes on the treatment of smallpox. A pamphlet prepared upon the request of the general superintendent by Dr. Jerome B. Thomas, attending physician and surgeon, civil sanitarium, Baguio, Benguet. Its preparation was occasioned by the prevalence of smallpox in a number of provinces. Since the establishment of the bureau of education a number of American teachers have succumbed to the disease. There is here presented information descriptive of the disease, its dissemination, prevention, and treatment. Teachers are in a position to be of great assistance to the health authorities in stamping out such an epidemic from their respective communities. (6 pages.)
- Bulletin No. 6. Industrial exhibits of Philippine schools at the Louisiana Purchase Exposition. Prepared by Mr. A. R. Hager, in charge of the Philippine educational exhibit at St. Louis, illustrative of industrial education in the Philippines. (51 pages.)
- Bulletin No. 7. Courses of instruction for the public schools of the Philippine Islands, outlining the scheme of primary, intermediate, and secondary instruction now established in the Philippines, announcing courses of instruction offered, subjects taught, and texts employed. (20 pages.)
- Bulletin No. 8. Cursos de Enseñanza para las Escuelas Publicas de las Islas Filipinas. Spanish translation of Bulletin No. 7. (21 pages.)
- Bulletin No. 9. Philippine baptismal names with English equivalents. Prepared by Mr. E. E. Schneider, a teacher in the bureau of education. This list is of value in announcing the correct or preferred spelling of 1,400 given names in common use in the Philippines, in view of the very general corruption to which the spelling of proper names is subject in these islands. (16 pages.)
- Bulletin No. 10. Government in the United States. A text prepared for use in the Philippine public schools by Albert H. Putney, of the bureau of education. Designed for use at the end of the intermediate course or at the beginning of the secondary course of instruction. (109 pages.)
- Bulletin No. 11. Courses in mechanical drawing, wood working, and iron working for provincial secondary schools. Prepared by the superintendent of the Philippine

- School of Arts and Trades for the information and direction of teachers in provincial trade schools. (38 pages.)
- Bulletin No. 12. (Spanish and English.) Advanced and postgraduate studies offered by the Philippine Normal School for preparation for entrance to American colleges and universities, and for entrance to the University of the Philippines. An illustrated announcement of advanced courses in English, mathematics, Latin, German, French, and Spanish. (34 pages.)
- Bulletin No. 13. Colonial governments of European States. Prepared by Albert H. Putney, bureau of education. (Not yet printed.)
- Bulletin No. 14. Codified school law of the Philippine Islands, with regulations of the general superintendent. (Not yet printed.)
- Bulletin No. 15. American politics and parliamentary law. Designed for use in primary and intermediate schools and prepared by Albert H. Putney, of the bureau of education. (Not yet printed.)
- Bulletin No. 16. Agricultural teaching in primary and intermediate schools. (In preparation.)
- Bulletin No. 18. Course in housekeeping for intermediate schools. (In preparation.)
- Bulletin No. 19. Teaching of phonics to Filipino children. (In preparation.)
- Bulletin No. 20. Games and athletic training in the public schools. (In preparation.)
- Bulletin No. 21. (English and Spanish.) Philippine Normal School, illustrated. A revised and amplified edition of Bulletin No. 1, catalogue for 1904-5, and prospectus for 1905-6. (67 pages.)
- Bulletin No. 22. Lessons on familiar Philippine animals. Prepared by Mr. Edgar M. Ledyard, teacher in the bureau of education. An illustrated outline for use in instruction on animal life in 5th grade intermediate course, to be supplemented by later bulletin. (34 pages.)

The Philippine Teacher is an illustrated monthly journal edited by Dr. John G. Coulter, formerly special teacher of botany in the Philippine Normal School and supervisor of nature-study instruction for the bureau of education. The first issue of this journal appeared December 15, 1904. All issues in the school year 1904-5 were published under the supervision of the general superintendent. Division superintendents and teachers were encouraged to subscribe for the magazine, and, in the supplying of news items and special articles, to contribute toward its support and success. On July 19, 1905, the journal having become well established, it was deemed advisable to remove it from its official status as an organ of the bureau of education and so establish it as an independent magazine. All numbers of the Philippine Teacher contain items of information on educational work in the Philippines or elsewhere, special articles prescribed for use in public school classes; and general articles upon various phases of the government of the islands. The more important articles which have appeared in the various issues to date are as follows:

Volume I, No. 1, December, 1904:

- The prospects for education in the Philippines. David P. Barrows, general superintendent of education.
- Measures to correct the tendency to tuberculosis. (A series.) Maj. E. C. Carter, commissioner of public health.
- Geological excursions for Philippine schools. (A series.) H. D. McCaskey, chief, mining bureau.
- The government and the laws of the Philippine Islands. (A series.) David Lewis Cobb, chief, legislative division, executive bureau.
- An additional appropriation for school buildings. Act of the Philippine Commission.
- Suggestions for industrial work for girls. Alice E. Magoon, teacher of domestic science, provincial school of Zambales.
- Plans for the intermediate school group.
- Former Governor Taft on education in the Philippines.
- Division superintendents' libraries. William T. Stewart, chief, property division, bureau of education.

Volume I, No. 2, January, 1905:

- Education in the Philippines. Gen. James F. Smith, secretary of public instruction.
- Philippine forests. (A series.) Ralph C. Bryant, assistant chief, bureau of forestry.
- The government and the laws of the Philippine Islands. (A series.) David Lewis Cobb.
- Interest in the United States in Philippine education. Frank R. White, assistant to the general superintendent of education.
- The Philippine Normal School. George W. Beattie, superintendent, Philippine Normal School.
- The organization of the offices of the division superintendents. Gilbert N. Brink, division superintendent of schools for Iloilo.

Volume I, No. 3, February, 1905:

Land registration in the Philippines. Judge Daniel R. Williams, court of land registration.

Measures to correct the tendency to tuberculosis. II. Maj. E. C. Carter.

Geological excursions for Philippine schools. II. H. D. McCaskey.

The abacá industry. H. T. Edwards, hemp expert.

The educational exhibit at the Philippine exposition. Albert R. Hager, in charge of the Philippine educational exhibit, Louisiana Purchase Exposition, St. Louis.

The government and the laws of the Philippine Islands. III. David Lewis Cobb.

Volume I, No. 4, March, 1905:

Our new Philippine currency. E. W. Kemmerer, chief, currency division, insular treasury.

Typical reports from two divisions. James D. Barry and James L. Sibley, teachers, provinces of La Unión and Masbate.

Elementary chemistry in everyday life. George W. Beattie.

The government and the laws of the Philippine Islands. III. David Lewis Cobb.

Announcement for the Philippine School of Arts and Trades.

Announcement for the Philippine Nautical School.

Volume II, No. 1, June, 1905:

The supervising teacher. David P. Barrows.

The government and the laws of the Philippine Islands. IV. David Lewis Cobb.

"Old Crusty"—The Spider. Edgar M. Ledyard, teacher of zoology.

The birthday of Rizal. Austin Craig, teacher in Mindoro.

Suggestions for number work. Annette L. Crocker, teacher of mathematics.

A garden lesson. Eurette M. Hoyles, teacher.

The Filipino teacher. Provisional regulations governing his service.

Volume II, No. 2, July, 1905:

The British occupation of Manila. Prescott F. Jernegan, teacher of history, Philippine Normal School.

Measures to correct the tendency to tuberculosis. III. Maj. E. C. Carter.

The government and the laws of the Philippine Islands. V. David Lewis Cobb.

Education in the Malay States under British rule. David P. Barrows.

"Jocko." The monkey. Edgar M. Ledyard.

Suggestions for number work. Annette L. Crocker.

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Blending legal systems in the Philippines. Judge C. S. Lobingier, court of first instance.

Nature study in the Philippines. John T. Stuart, teacher.

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Give the boy a chance. George Whiting, supervising teacher, Cavite Province.

Recess readings for Filipino teachers.

Industrial work.

The American teacher in the Philippines.

DIVISION OF THE CITY OF MANILA.

The public schools of the city of Manila have, since June 15, 1903, been under the supervision of Mr. G. A. O'Reilly, who renders the appended report.

The day school attendance in Manila has not increased in so large a measure as in other school divisions during the past two years, though the present number is considerably in advance of the attendance of last year and the preceding school year. The comparatively large number of American teachers assigned to the city has made possible, however, a closer supervision of the work of Filipino assistants, and the larger opportunities of those assistants for constant study and continuous training have enabled them as a body to acquire a better knowledge of English than the Filipino teaching force of any other school division. These advantages arise, of course, through the restriction of a large population within comparatively narrow limits. In this connection it is noted that salaries of Filipino teachers at present employed by the municipality of Manila during the last fiscal year amounted to ₱154,326.60, whereas the greatest amount paid in municipal teachers' salaries by any other school division was ₱47,478.74.

The particular line upon which greater advance in the city is now essential is in the construction of suitable school buildings. Since the American occupation the province of Pangasinan has erected 167 school buildings, valued at ₱53,700; Batangas 97, valued at ₱70,345; Ilocos Sur 103, valued at ₱56,000; Tayabas 39, valued at ₱112,000; in all, 1,697 buildings have been erected. During this period the municipality of Manila has erected

one school building, at an expense of ₱2,494. It is expected that this condition in Manila will be promptly remedied by the municipal board, thereby bringing the city into a position for favorable comparison as regards its interest in public education with other portions of the archipelago.

In nearly all provinces there have been gratifying contributions by Filipino people from personal funds for the construction of school buildings and for other school enterprises. A total of ₱232,988.33 has been so contributed during the past year, none of which has been raised in the city of Manila.

The generally satisfactory conditions described in last year's report have not materially changed. Undesirable features still remain, but the year's progress made toward their removal indicates favorable results. Schools of all grades and classes have gained in popularity. No indication of a falling off of interest is anywhere apparent. Distinction of caste seems to have entirely disappeared. The functions of different schools and courses seem to be better understood than formerly, and more definite results appear. The limit to the possibilities of the Filipino student seems to be as far off as ever. All grades of work presented have been performed and in a generally satisfactory manner.

CLASSIFICATION.

A radical change which has been made in the city course of study since the date of the last report has materially modified the former classification. The two secondary schools described in last year's report have been changed to intermediate schools. Three new intermediate schools have been established: One at 608 calle Bilibid, Santa Cruz; one at 172 calle Victoria, Walled City, and one at 322 calle Real, Paco. All American teachers have been removed from primary schools, and all instruction of primary pupils is given by native teachers. The city has been divided into five supervising districts as follows:

First district.—Santa Ana, Pandacan, Paco, and Singalong.

Second district.—Malate, Ermita, Concepción, and Intramuros.

Third district.—Santa Mesa, Sampaloc, and San Miguel.

Fourth district.—Quiapo, Santa Cruz, and Trozo.

Fifth district.—San Nicolás, Tondo, and Gagalañging.

The work in each district is under the supervision of an American teacher. Next in authority are the native principals, who are in immediate charge of the different schools. Under them are the native teachers.

COURSE OF STUDY.

The present course of study requires that the primary term shall cover a period of three instead of seven years, as formerly. Three years are covered in the intermediate course, after which secondary courses, covering periods of from two to four years, are offered. This new course of study, which is general throughout the islands, has been in operation in the city schools since October 24, 1904. The term of its trial has not been long enough to constitute a fair test, hence its merits are as yet undecided. Developments to date seem to indicate the following dangers: That the primary course of three years is too short; that the transfer to the intermediate schools of the necessarily large number of pupils who yearly complete the work of the primary course, is premature and will constitute a serious and undesirable break in the work of the pupil at a stage too near the beginning of his development. Beyond this there is a danger that in two or three years the enrollment in the primary schools will be relatively too small, compared with that in the intermediate grades. If pupils were disposed to remain in school only three or four years this objection would not exist. It is found, however, that they are satisfied to remain for six or seven years. A fact in point is that among the pupils enrolled this year are found practically all of the pupils who failed upon examination at the end of the last school term.

BUILDINGS.

A general improvement has taken place in the condition of school buildings throughout the city. The sanitary condition is much better than formerly. The pail system has been made general, better ventilation has been secured, premises are better drained, more extensive recreation grounds have been provided, buildings have been equipped with awnings and shades, and new partitions and screens have made it possible to divide pupils into classes of a more nearly proper size. Several excellent buildings have been secured. In every case these buildings are of a much better class than those formerly occupied. Special reference is made to the new Trozo boys' building at No. 232 calle Diaz, with a seating capacity of 400; the American school building at No. 317 calle Nozaleda, with a seating capacity of 300, and

the Manila School of Commerce building at No. 38 calle Gunao, with a seating capacity of 500. The condition will never be entirely or even reasonably satisfactory until new modern school buildings are constructed by the city. It is realized that such construction is expensive and requires time, but it is hoped that something substantial will be done in this direction during the coming year.

FURNITURE.

The construction by the city of modern school desks capable of accommodating 2,500 additional pupils has obviated all difficulty along this line. It is believed that the present equipment will prove sufficient for the purposes of the coming year.

TEACHERS.

The personnel of the city teaching force is rather higher than that of last year. Certain teachers whose work was not up to a proper standard have been either discontinued or transferred, and the few who have been transferred to the city from the provinces are of the high grade.

The assignment of city teachers is as follows:

Americans:		Natives:	
American school.....	9	Primary schools.....	189
Intermediate schools.....	19	Intermediate.....	9
School of Commerce.....	5	School of Commerce.....	3
Primary supervisors.....	5	Drawing.....	11
Music.....	4	Kindergarten.....	4
Drawing.....	1		
Kindergarten.....	5	Total.....	216
Total.....	48		

The indicated reduction in the American teaching force of the city has been found necessary upon grounds of economy, and has been made possible by the improvement effected in native teachers, enabling them to take charge of intermediate classes. The rather extensive promotion of native teachers to intermediate schools which has taken place is somewhat of an experiment, it not yet being certain that these teachers will prove equal to the task assigned.

The services of the present American day force are without exception satisfactory. These teachers deserve highest praise. Their sessions are long. Supervision and inspection are close and careful, a high degree of excellence in work is required, facilities are inadequate, expenses high, and attractions running counter to the interest of city schools strong. In spite of these obstacles the general results have been satisfactory. Enrollment and attendance are all that could be desired. Enthusiasm of native teachers and pupils have been kept high. Instruction and direction have been so systematized that the best possible results have been accomplished with existing facilities. The greatest possible degree of authority and responsibility have been left with these teachers, and their share of credit in results is large.

It is now more than ever before clearly apparent that the task of developing an effective native teaching force from the material at hand is neither an easy one nor one that can be accomplished in a short time. It is beyond doubt that in time these teachers will become efficient, but it is also nearly certain that the demand being made upon their present powers is too great and the responsibility entrusted to them too important, considering their equipment. They need more instruction and supervising than they receive. They are excellent students and faithful workers, devoted to their duties, and possessing a proper appreciation of the importance of their mission, but their training has not yet qualified them for the work which is required. The evils of this forcing process are evidenced almost daily in the development of unexpected weaknesses in teachers of all grades. Of these the following are most common:

That the pupil's knowledge of a subject is superior to that possessed by the teacher; that the teacher in his work of instruction commits such grievous errors because of ignorance of the subject concerned that the result of his effort is injury instead of benefit to the pupil; that the teachers possessing the best knowledge of a subject are frequently weakest in its presentation. This criticism is aimed not at the native teacher, who has accomplished wonders during the brief period of his instruction, but at the unfortunate condition which forces him to assume obligations beyond his powers and which deprives him of proper supervision and direction at a time when he needs them most.

NORMAL INSTRUCTION.

The coming year's system of normal instruction whereby the equipment of the city native teacher may be improved will differ materially from that of last year. Last year the point aimed at was instruction in methods. The work was well done and excellent results were appreciated. Now it is found that the greatest demand is for instruction in subject-matter. It has therefore been deemed advisable to devote the greater portion of the normal effort of the year to careful and thorough instruction and drill in the elementary branches. Teachers qualified to take up higher work will be furnished an opportunity to do so. Last year normal instruction was given in an afternoon session. This year it will be given in the regular evening schools. Last year native teachers were required to attend this afternoon session under penalty of loss of salary for a half day for each absence. This year the same rule will apply to attendance of teachers in evening school classes. Native teachers who are at present employed as instructors in evening classes will be required to pass an examination prepared for the purpose of determining whether their knowledge of the subject taught by them is sufficient for the purposes of their classes. Teachers passing this examination will be allowed to retain their positions as instructors in evening schools and will be relieved from the obligation of attending these schools as students. Teachers failing to pass this examination will be discontinued as evening teachers and required to receive instruction as indicated.

It is believed that this plan will, when put into operation, produce improved results throughout the city schools. Native teachers will be better classified than formerly, their labors during the day will be made lighter, more thorough preparation of their class work will be possible, and the teaching session of the morning will be lengthened from three and a half to five hours.

ATTENDANCE.

Enrollment and attendance show a satisfactory improvement. A substantial gain has been made during the year. The following tabulation indicates the relative conditions existing in the month of June, 1902, 1903, 1904, and 1905:

	Day schools.			Night schools.		
	Enrollment.	Attendance.	Percentage.	Enrollment.	Attendance.	Percentage.
June, 1902.....	2,244	1,992	84	1,556	1,254	87
June, 1903.....	3,046	2,341	92	2,626	2,107	87
June, 1904.....	5,767	4,602	92	5,043	4,074	83
June, 1905.....	7,803	6,278	95	5,334	3,911	92

The improvement effected in attendance goes beyond the facts indicated by these figures. Tardiness upon the part of teachers, formerly not uncommon, has almost entirely disappeared. The same is, in general, true of pupils. In several classes in the city schools the record for the month of June does not show a single case of absence or tardiness. The percentage of attendance throughout the city for the same month was 95.

The pupil attendance of the city is divided as follows:

American school.....	179
Intermediate schools.....	860
Primary schools.....	6,397
School of Commerce.....	257
Kindergartens.....	110
Total.....	7,803

The average number of pupils taught by each teacher is 39. When teachers of a higher grade of ability and class rooms more nearly uniform in size are secured a slight increase in the size of classes will be possible. Until then the highest average practicable is 40.

PRIMARY SCHOOLS.

The number and location of primary schools is the same as last year, with the exception that the Ermita Girls' School has been transferred to Malate and consolidated with the Malate Girls' School, and the Trozo Boys' School, formerly at No. 136 Calle San José, has been moved to 232 Calle Diaz. The increase in seating capacity effected during the year in these schools amounts to approximately 2,000. About 7,000 primary pupils can now be seated with a fair degree of comfort.

The period of three years allowed for the completion of the primary course (Bulletin 7, general superintendent of education) is too short. The best schools in the States do not attempt to cover an equal amount of work in such a period. There pupils employ their native language and are taught by highly trained teachers and under the most favorable conditions. Here the pupils struggle with a foreign language and is taught exclusively by native teachers who are also struggling with a new language and who are at best but imperfectly trained and educated. It would be absurd to assume that the Filipino pupil, with even equal opportunities, could advance more rapidly than the American child. The best evidence, however, is the fact that the Filipino pupil has not accomplished, and is not accomplishing in a satisfactory manner, the requirements of this course. It is hoped because of the extreme necessity for thoroughness in the instruction of the Filipino pupil that a change in this course will be made.

TOOL AND SHOP WORK.

Due to the lack of facilities, it has been found impossible up to the present time to introduce into intermediate schools the tool and shop work indicated in the course of study. It is not believed, however, that any injury has resulted or any loss been sustained. The introduction into intermediate schools of work along this line sufficiently attractive to be reasonably popular would be extremely difficult and could be accomplished only at considerable cost. It is believed that the better plan would be to center all facilities and effort of this nature in the Insular School of Arts and Trades located in Manila.

EVENING SCHOOLS.

Interest in evening schools continues undiminished. Every available seat is occupied. The personnel of the student body is noticeably higher than ever before. The aims of students seem to be assuming definite form. The value of the course offered is fully appreciated. Regularity and punctuality in attendance are no longer problems. Students are discontinued for the slightest infraction of rules. In this way the practical tone of the school is kept up and persons not thoroughly in earnest are summarily disposed of. In all but cases possessing special merit students under 14 years of age have been discontinued. Almost without exception students are in the most active period of life, from 15 to 25 years of age. The number of students who have passed 30 years is extremely small and it is believed that there are not in the entire evening school attendance a half dozen persons who have reached 40 years of age. Courses of instruction are reasonably definite and students of any grade of ability can be accommodated. In practically all schools the work of instruction has been departmentalized and the special ability of teachers along the lines of particular subjects fully utilized. The present teaching force is in general satisfactory. Its personnel has become rather definitely fixed and changes are infrequent. Inspection of classes has been reduced to a most satisfactory system. The work of every class is inspected from this office at least once in each week. The greatest possible degree of authority is given the principals, and the teachers are definitely informed that unless their work is kept up to a certain standard they can not hope to retain their positions. Students are carefully selected. All persons presenting themselves for matriculation are required to furnish substantial evidence of responsibility and to possess a proper conception of the objects of the school. Stenography, typewriting, and bookkeeping are the only special subjects taught in these schools. Evening courses in these subjects are offered in connection with the Manila School of Commerce and are extremely popular. The work in stenography in particular is moving along rapidly. In the course of two or three months a fairly well qualified class of English stenographers will have finished the course and be ready for employment. Attendance is strong and steadily increasing. It is doubtful if it will be allowed to go above 7,000. It is believed that with the exercise of proper care in the selection of students this number will be large enough to include all who are properly interested.

SCHOOL OF COMMERCE.

The Manila School of Commerce has operated since October, 1904, and with pronounced success. The courses in this school include English, bookkeeping, commercial arithmetic, commercial law, stenography, typewriting, and such auxiliary branches as are necessary in carrying out the commercial purpose of the institution. The building occupied is situated at No. 38 Calle Gunao, Quiapo; is commodious, well lighted and ventilated, and splendidly adapted for the purposes of the school. The present attendance is 257, and is composed of a high grade of students. The attendance is about equally divided between students from the city and from the provinces. Some of the most remote provinces in the islands are represented by a class of students who appear to have most definite objects in

view. The spirit of the school is excellent. From resources provided entirely by the students a small library has been started, a baseball and foot-ball team and fife and drum corps have been equipped and several up-to-date bookcases and a fairly good reference library purchased. In addition to this a fairly good gymnasium has been organized and equipped by the students. Horizontal and parallel bars, traveling rings, vaulting horses, mats, punching bags and boxing gloves, and dumb bells have been secured and installed in the basement of the school building. The gymnasium is under the charge of a board of student directors, rigid rules and regulations have been prepared, a system of instruction provided, and all of the more important details of an up-to-date gymnasium observed. It is believed that this is the first departure of its kind in the schools of the islands. It is believed that this school will work a decided improvement in the personnel of the government and commercial service.

VOCAL MUSIC.

All pupils are actively interested in this work. The great majority of them read simple music fairly well and native teachers present the subject in class with a fair degree of success. Supervision by trained American teachers is still necessary and will remain so for some time. It is believed, however, that the present city music teaching force is larger than is justified by the necessities of the situation. No reduction should be made in the force of three supervisors, who at present, perform the actual work or supervision. These supervisors are faithful, effective, and fully qualified to take charge of the subject with the aid of an intelligently constructed course of study and under the direction of this office. Reasonable economy forces the opinion that the services of the present director of music at \$1,500 annually can be safely dispensed with. The function of this director in charge of the supervisors is very indefinite and its value to the department of city schools questionable.

KINDERGARTENS.

The desirability of the retention of the kindergarten in the department upon a permanent and increasing basis is not yet clear. As an institution, and considered apart from its bearing upon the general work of education, the kindergarten is a success. The native child is properly responsive to this class of instruction, the native teacher promises to become in time and with training a fairly satisfactory kindergartner, and the interest of parents is strong. The per capita cost of instruction is, however, unreasonably high, and only a small portion of the eligible children of the city can be accommodated. It is not believed that the extension of the kindergarten as an institution is desirable. The kindergartens at present in operation should be allowed to continue as a center from which the influence of the method of these institutions may be extended to the first grade of primary schools. The introduction of kindergarten method and material into primary grades to be practical must be made slowly, because of the lack upon the part of the primary teacher of the special knowledge required.

INDUSTRY CLASSIFICATION.

A splendid interest has been developed in primary schools along the line of the study and classification of Philippine woods, fabrics, cereals, and industries. The work with fabrics is particularly interesting. Specimens of all fabrics common to the islands, together with the raw fiber, are brought to the class room by the pupils. They are then mounted upon cards prepared by the pupils, after which a careful study of each specimen is made by the class. Upon the back of each card is written the result of this study, including place of growth, process of cultivation and manufacture, coloring material used, uses, value, etc. The card, with its specimen, is then used in the class in connection with work in language, geography, or history, after which it becomes a part of the school museum. A practically similar process is applied to woods and cereals, with the result that much useful information is brought to light, the idea of original investigation is developed, and an interesting museum is formed.

DOMESTIC SCIENCE.

The work of domestic science, begun during the year, has not yet received a fair test, but all indications are satisfactory. Thus far the work has been most general in its nature. The services of an experienced director have been secured and a comprehensive course of study prepared. This course covers hygiene and sanitation, including simple bacteriology, cooking, sewing, home nursing, and general housekeeping. A special effort will be made to adapt instruction to peculiar local needs. Laboratory and actual kitchen work have not yet commenced, due to former lack of facilities, but will be in full operation in two months. The quarters decided upon for these purposes are located in the American school building, 317 calle Nozaleda. The accommodations are extensive, and when completed will consist of a lecture room, laboratory, kitchen, storeroom, and model dining room and bedroom.

Instruction will be confined to girls from intermediate schools and the American school. The programme will be so arranged that classes from different intermediate schools will receive instruction in domestic science upon certain days of the week. The greater portion of the special instruction will be given in the building described, and will be supplemented by regular class instruction given in the different intermediate schools. The domestic-science idea has steadily increased in popularity from the beginning, and it is believed that with a conservative plan which will avoid too radical departures from existing conditions extensive improvements in the general domestic situation will result.

DRILL.

The foot movements of the United States Army have been introduced into all city boys' schools, and with pronounced success. All boys, with the exception of those who very recently entered, are now able to very creditably perform the ordinary evolutions in fours, twos, and file. This drill has been of a great assistance in preserving order in the schoolroom and upon the grounds and in moving pupils in and out of crowded buildings in the shortest possible time. Beyond this, the improvement effected in the general physical condition of pupils is gratifying. Three regiments of 1,000 boys each are organized, officered, and uniformed. Uniforms are not allowed in the schoolroom, and are worn upon occasions of a special nature—parades, special drills, etc. Extreme economy has been observed in the selections of this uniform. It consists of the ordinary white school suit, with detachable shoulder straps and chevrons—red, yellow, or blue—according to the colors of the particular regiment. The shoulder straps and chevrons are for the most part made in the schoolrooms by the girls and lady teachers, and represent a cost of perhaps 20 cents per uniform. A white cap or straw hat completes the outfit.

PHYSICAL CULTURE.

The work of physical culture is as yet in a disorganized state. Excellent results have been accomplished in certain schools, and pupils of all schools receive physical training of some sort. A highly illustrated and carefully elaborated course in physical culture has been prepared by one of the former city teachers, and is now in the hands of a book company in the States. This course is based upon modern scientific methods, and is specially adapted to the peculiar physical conditions found among Filipino children. Every detail has been carefully worked out in special experimental classes, and it is believed that splendid results will follow its introduction into the schools.

RECOMMENDATIONS.

It is recommended:

That the present primary course of study of three years be extended one year.

That the present intermediate course of study of three years be extended one year.

That all janitors in charge of school buildings be placed under the immediate control of this department.

That the materials used in cleaning and disinfecting school buildings and premises be supplied to this department direct.

That immediate steps be taken toward the construction of new school buildings.

That the substitution of native for American teachers in intermediate schools be accomplished slowly.

Statement of expenses during fiscal year 1905.

Salaries and wages:	
Office force.....	P 5,640.00
Night school teachers.....	130,023.66
Filipino teachers.....	154,326.60
Total.....	289,990.26
Contingent expenses:	
Transportation, labor, and office supplies.....	4,477.13
Equipment and furniture:	
Purchase of desks, etc.....	3,148.89
SUMMARY:	
Salaries and wages.....	289,990.26
Contingent expenses.....	4,477.13
Equipment and furniture.....	3,148.89
Grand total.....	297,616.28

DIVISION OF ALBAY AND SORSOGÓN.

Mr. E. E. Fisher, division superintendent of schools for Albay, was granted leave of absence to visit the United States, effective April 16, 1905. The acting superintendency is now filled by Mr. G. W. Caulkins, formerly head teacher of Sorsogon Province. Mr. Caulkins renders the annual report for his division.

Municipal school finances are in exceptionally good condition in this school division by reason of the production of great quantities of hemp, an unfailing source of revenue to the people. The industrial condition of the province has not suffered the decline which has prevailed in most other agricultural provinces.

During the first years of the bureau of education its efforts met with very slight response from the people of Albay and Sorsogón. Indeed, it was not until a year ago that the very general interest now prevailing asserted itself. The present popular enthusiasm, as expressed in the willingness of officials and people to contribute liberally from personal funds for the support of the public schools, is very gratifying.

During the past school year the scope of the work of this division has been extended, the organization improved, and the efficiency of the whole teaching force increased; a uniform course of study has been adopted and conformed to in all schools; appropriate games and physical exercises have been introduced throughout the division; the monthly attendance has increased from 3,897 to 10,153; and, in fact, every phase of the work has seen a corresponding growth over that of the preceding year.

THE COURSE OF STUDY.

During the past year all schools were graded as closely as possible in accordance with the courses prescribed in bulletin No. 7 (courses of instruction). The work of the central schools included the three years of the primary course. In the barrio schools only first-year work was given for the most part. In only a few barrio schools was it possible to do second-year work. The two provincial high schools confined their attention principally to the intermediate course, admitting a few students in grade three. These latter will soon be entirely eliminated. The course of study prescribed by the general superintendent, while leaving methods entirely to the individuality of the teacher, furnishes a basis for a closer and more effective supervision on the part of teachers and superintendents, and for comparing, by means of examinations, the results obtained in the different schools. It has aided materially in systematizing the work of the various schools.

The examinations held in March have aided in determining the results already accomplished. Only two students succeeded in passing the examination for completion of the intermediate course, both of whom are taking courses in the Philippine Normal School in Manila. One of the boys successfully passed the scholarship examination, but was disqualified on account of his youth.

INDUSTRIAL WORK.

The industrial work in the schools in the past has been of a somewhat desultory nature. Individual teachers have, in many cases, introduced courses in woodworking, gardening, pottery, and sewing in their schools. Wherever attempted, this work has been productive of excellent results. Teachers are unanimous in reporting that the pupils who are doing work in the industrial classes are the most progressive in the school. It creates an interest in and respect for manual labor and inspires more general activity in the child. Industrial work, especially in agriculture, gives the boy valuable experience by testing his ability to do a definite thing, and at the same time connects the school more closely with real life.

In many schools much-needed desks, tables, and bookcases have been secured at the mere cost of the lumber, the work being done by the boys under the supervision of the teacher. In the town of Sorsogón, to quote from a recent communication of Mr. Kirtland, " * * * We made 95 desks at a cost of ₱1.25 each for material. The lumber was undressed California redwood, obtained by requisition from the insular purchasing agent. Nearly all the sawing for 60 desks was done by the pupils; accurate work was secured by having the boards cut in a large miter box. The boys did a good deal of the planing and did the entire work on a number of desks. One of these, a No. 3, was sent to Manila for the school museum. About 50 desks were nailed together by the aspirantes' class. The pupils in the woodworking class were volunteers. They were divided into sections of about 10 each, and worked three times a week."

During the present year all primary and intermediate schools in the division are beginning work in gardening and sewing. In many instances municipal officials have shown their interest by securing suitable tracts of land for agricultural purposes. Funds for purchasing the necessary garden implements have been secured by subscriptions or by the appropriations by the municipal councils of sufficient funds for the purpose. Garden tools for the two provincial high schools and for the intermediate schools have been furnished by the bureau of education.

PHYSICAL EXERCISES.

Much emphasis was laid the past year on this phase of school work. Military drill, setting-up exercises, and baseball now form an important part of the school work in each municipality. At the normal institutes baseball was taken up with enthusiasm by teachers and pupils and has spread to all parts, so that there is not one town where there is a public school without its ball teams. To quote from a report of the division superintendent of May 1, 1905, " * * * In many towns baseball seems to be doing more than anything else to draw attention to our schools and to enlist the sympathies of the inhabitants. Among the boys it engenders a spirit of perseverance, determination, and of struggling against difficulty and opposition. The ball players are the most active and progressive of the students." A regular schedule of games is followed throughout the year, culminating in a triangular baseball meet in Sorsogón between picked teams from Masbate, Sorsogón, and Albay. This latter is an annual event in which the three teams compete for a silver cup known as the "Trent baseball trophy." The teams must be composed of pupils of the primary, intermediate, or high schools, and to be eligible such pupils must have been in attendance for at least the four weeks preceding the date of the contest.

FILIPINO TEACHERS.

There are in this division 197 Filipino teachers and some 40 aspirantes serving without compensation. Of the former 6 are insular teachers and 191 municipal. Three municipal teachers have successfully passed the Filipino teachers' examination and have been recommended for appointment as insular teachers. Five of the Filipino insular teachers are doing supervisory work, having charge of the schools in six towns. One, a graduate of the Philippine Normal School, is the principal of the central school in the town of Albay. The five who are supervising teachers have been uniformly successful as shown by the work of their teachers and pupils in the normal institutes and by the primary examinations recently held in their schools. They carry out all instructions promptly and faithfully, their work in the teachers' classes is satisfactory, and in every case they have shown a high degree of efficiency in organizing the schools in their districts. Without exception they are young men of influence and good standing in the community.

The standard of the municipal teaching force is being constantly raised. Beginning with the school year 1906-7 the ability to pass the examination for completion of the primary course will be one of the requirements for eligibility to appointment as a municipal teacher. There are still a few teachers who have not this qualification. During the present year they will be dropped unless advanced sufficiently to pass the examination.

For the past two years 29 students have been supported by 15 municipalities of Sorsogón Province while receiving training at the Provincial High School at Sorsogón. All these, with the exception of three who will continue their studies another year, have been given appointments as teachers. They are bright young men and women, from 16 to 19 years of age, carefully chosen from the different towns, and were in the most advanced classes in the high school. In Albay Province 4 teachers were supported by the towns while pursuing their studies in the Albay high schools.

The Albay High School, temporarily located in Guinobatan since December, 1902, will move to Albay in November, where it will occupy the new building now in course of construction. The site of the high school was donated by the municipality of Albay. Captured insurgent funds to the amount of ₱35,000 were appropriated by the Commission for the building. Upon its completion the Albay High School will be housed in one of the finest school buildings in the islands. On the first floor are four large rooms for woodworking, laboratories, and industrial classes. On the second floor are six class rooms, library, and office, and a large assembly room. In addition to this, plans are being made for one industrial building to cost ₱8,000.

The Sorsogón High School has occupied a rented building for the past two years. Plans have been made, however, for a new building to be constructed principally by donations of labor and funds by the people of the province. An appropriation of ₱10,021.23 from captured insurgent funds was made by the Commission. An admirable site, with agricultural land and a building which has been used as a boys' dormitory, was donated by the municipality of Sorsogón.

FINANCES.

The condition of school finances is very satisfactory. No towns levied any land tax in addition to the one-quarter of one per cent required by law. Such a course, however, seems necessary in order to extend the schools into the barrios at present unprovided with public schools.

During the past year approximately ₱22,000 in money and ₱15,680 in labor and material were donated for the support of schools.

Statement of deficit or balance of school funds, by towns, June 30, 1905.

ALBAY PROVINCE.

Town.	Balance on hand.	Deficit.	Town.	Balance on hand.	Deficit.
Albay.....	₱ 1,322.84		Malilipot.....	₱ 801.94	
Bacaycay.....	2,439.59		Malinao.....	2,412.25	
Bagamanoc.....	148.71		Manito.....	253.96	
Barás.....	65.42		Oás.....	412.64	
Bato.....	2,212.95		Pandan.....	352.97	
Calolbon.....	345.78		Payo.....	287.36	
Camalig.....	2,221.28		Polangui.....	1,142.02	
Camororan.....	274.85		Rapu Rapu.....	435.00	
Daraga.....	451.70		Tabaco.....	3,234.30	
Guinobatan.....	3,124.49		Tiul.....	1,283.11	
Jovellar.....	1,590.29		Viga.....	174.87	
Legaspi.....	528.36		Virac.....	421.34	
Libog.....		₱ 37.38			
Libon.....	142.18		Total.....	27,786.22	₱ 37.38
Ligao.....	1,705.94				

SORSOGÓN PROVINCE.

Bacon.....		₱ 137.05	Pilar.....	₱ 869.56	
Barcelona.....	₱ 588.40		Prieto Diaz.....	303.14	
Bulan.....	118.45		Sorsogón.....	2,597.91	
Bulusan.....		491.54	Santa Magdalena.....	87.30	
Casiguran.....	969.75		Total for Sorsogón Province.....	9,238.76	₱ 1,023.97
Castilla.....	364.27		Total for Albay Province.....	27,786.22	37.38
Donsol.....	238.56		Total for division.....	37,024.98	1,061.35
Gubat.....	1,496.69				
Irocin.....	792.77				
Juban.....	244.20				
Magalanes.....		396.38			
Matnog.....	567.76				

DIVISION OF CAMARINES.

Mr. W. B. Freer, division superintendent of schools for the Camarines, left for the United States on leave of absence October 19, 1904, and resigned from his position at the end of his leave, January 21, 1905. Mr. F. L. Crone was acting division superintendent of schools for the Camarines from October 19, 1904, to April 1, 1905, the date of his departure for the United States on leave of absence. During his absence Mr. Harry A. Tash served as acting division superintendent for the division. Mr. Crone was appointed to the superintendency upon his return from the United States.

At the present time the schools are more favorably received by the people and in every way better established than ever before. Perhaps the greatest obstacle to the development of school work and the satisfactory grading of the pupils has been the epidemics of malarial fevers that have annually caused great distress and many fatalities among the natives.

The American teachers have done much through the distribution of medicines to improve the health conditions in some districts of the division.

BUREAU OF EDUCATION, DIVISION OF CAMARINES. ANNUAL REPORT FOR THE YEAR ENDING JUNE 30, 1905.

EXTENT OF THE DIVISION.

The division of Camarines includes the province of Ambos Camarines, which has an area of 3,279 square miles and which is 100 miles in length and from 20 to 50 miles in width. The civilized population numbers 239,000 and the uncivilized 6,000. There are 35 organized municipalities and 540 barrios.

Simply to reach the central school of each town it is necessary to travel a distance of about 850 miles. To visit the barrio schools would bring the total distance to about 940 miles. Of this distance only 140 miles can be traveled in a large boat, leaving the remainder of the distance to be made in small boats, on foot, and occasionally by other methods of transportation. The roads are for the most part in bad condition, and practically all the streams have to be forded. It can easily be seen that at least three months are required to visit all the schools of the province, and even then it would be at the expense of the office work.

THE POPULATION.

With the exception of the upper part of Camarines Norte the people are Bicolos. They are more pacific, conservative, and home loving than the Tagálogs, and had it not been for the Tagálog leaders it is almost certain that they would have revolted neither from Spanish nor American rule. While this comparative lack of self assertion has its advantages, it makes it much more difficult to gauge public opinion than in the Tagálog provinces. The lack of freer intercourse has given rise to a great number of local dialects and it is not unusual to find towns distant from each other only a few miles but possessing widely divergent peculiarities of speech. Often differences in habits and customs are equally as marked.

THE SUPPORT GIVEN THE SCHOOLS.

Although poverty and sickness have prevented a large and regular attendance, the support given the schools has been excellent. With few exceptions the municipal officers and parish priests have shown the most friendly disposition and municipal councils have been ready to appropriate freely from the general funds for the needs of the schools. In a number of cases the salaries of the municipal officers have been reduced to meet the expenses of the schools. Very few of the towns are able to support the schools from the school revenues, and the accompanying estimate of school expenditures will show how liberally the towns have drawn from the general funds.

The more distant barrios have asked for the establishment of schools and have expressed their willingness to contribute toward their support. Six such schools have been established, and while the result is not entirely satisfactory, they offer an opportunity for primary instruction to children who would otherwise be left to their own resources.

The parish priests have been friendly in almost every case, and where they have not been it has been due in nearly every case to difficulties that have arisen between the priest and the president.

Special credit is due to the provincial governor, a broad and liberal minded man, who has proven himself a staunch and earnest friend of popular education. His example and influence have been invaluable.

The provincial board has given the schools the most loyal support and has given all the aid that the limited means at its disposal would permit. It has voted money for the support of the provincial school, has secured a tract of land for a permanent site, and has set aside the provincial building at Daet for the use of the Daet High School.

SCHOOL FINANCES.

The proposed remission of the land tax will work great injury to the public schools unless replaced by some other tax. Not only will the school funds be reduced to almost nothing but the general funds will be so reduced that no aid need be expected from that source.

THE PRIMARY SCHOOLS.

The division of Camarines is divided into sixteen supervising districts, three of which are in charge of native teachers. Not only has the work of the American teachers been of a high grade, but the three native supervisors are deserving of great credit for the faithful and efficient work which they have done. They have succeeded in overcoming the prejudice the people naturally have in this division against teachers of their own race and have organized schools that would be a credit to any teacher.

In this division there has been a lack of trained teachers, and the demand has kept the provincial high school stripped of pupils in the more advanced grades. In certain instances it has been thought better to close the schools than to employ teachers not sufficiently prepared to do the work.

Manual training has been introduced into about one-fifth of the towns of this division. The progress has been slow, owing to the feeling on the part of the people that the work is rather beneath them. This prejudice will be slowly overcome and much better results may be looked for the coming year. Sewing, hat and basket making are the chief lines of work taken up. In some places an attempt has been made to start such work by giving pictures to the schools on condition that the frames are to be made by the children. They take readily enough to this work. To call the attention of the people to the advantages of this line of instruction and to overcome their prejudice, articles explaining our plans have been published in the local paper, which has a small subscription list but which reaches all parts of the province. School gardens have been started in several towns, and it is the intention to push this work even harder than the manual-training work. The children have much less aversion to it, and there is immediate and pressing need for the introduction of a knowledge of gardening to relieve the want of food felt in the rice-producing portion

of the province. In several of the best agricultural districts which are adapted to the growing of corn and vegetables the people are suffering from a lack of food simply because they have relied entirely upon the rice crop. Until diversified farming is generally adopted the people will never be free from the danger of famine.

There has been a considerable increase in interest in religious instruction throughout the division, and many inquiries have been received from the people and the priests as well. In two or three cases the teachers have been asked by the priests to undertake the instruction. In the towns of Daet, San Fernando, Paracale, and Lagonoy the priests have availed themselves of the provisions of the law, and the results have been very satisfactory. An article explaining the law has been published in the local paper, and it is to be hoped that more of the priests will take advantage of the law permitting them to give such instruction three days each week.

One of the most encouraging features of the public school system has been the attitude of the native teacher toward the community. Too often the educated native is without influence among his own people on account of his lack of sympathy and contempt for those less fortunate than himself. This has not been the case with the great majority of the teachers. In many of the towns they are the best paid officials in the town and often only second in social standing. They have, however, shown the greatest good sense, and their attitude has been one of friendly and helpful cooperation with the people of the town.

In the more compact supervising district teachers' classes are held on Friday. The forenoon is usually devoted to instruction in the branches taught in the primary schools and the afternoon to work with the practice class. A small class of children from the regular school is taught in turn by each of the teachers, and criticisms and suggestions are made by the native teachers and the American teacher in charge. At first some of the native teachers found it difficult to take the criticisms in good part, but it was not long before the best of feeling prevailed. In Nueva Cáceres instruction is being given in basket making so that the teachers may introduce this work into their schools.

THE INTERMEDIATE SCHOOLS.

Intermediate courses are at present being offered in the provincial school, the Daet High School, the Goa intermediate school, and the public schools of Iriga. An intermediate school is planned for Iriga. This would draw from the towns of the Rinconada and should begin with 40 pupils.

The schools have met with a hearty reception from the people and have done much to popularize public instruction.

It is still a question if the new grading system were not put into effect too soon for those pupils of considerable age who are unwilling to enter the primary schools but who would enter a more advanced school. Our best pupils in the high school have come from this class, and there is the added advantage that we can realize upon them so much sooner than with smaller children. Some of the older pupils are already taking an active part in the community life. In this division we did not find many young men with a knowledge of English, as was the case in the provinces nearer Manila. As a result, we had to begin from the ground up to train our teachers. Our supply of teachers was drawn almost entirely from the provincial school, and, as a result, our advanced classes will be from one to two years behind those of the Tagalog provinces.

THE PROVINCIAL HIGH SCHOOL.

The Provincial High School was originally one of the five normal schools tributary to the Manila Normal School, but was changed to a provincial school. There being no public building that could be used for the purpose, the provincial board rented a building which is not in the best of repair but which is large enough to accommodate the pupils that have entered.

For the provincial school a tract of land containing 20 acres has been secured. It is located at the edge of town, and is the best tract that could be secured without going far from the town or buying a residence district and removing the houses. It is situated between two residence districts and contains enough land for all purposes. The land is especially adapted to the production of corn, rice, and vegetables. The deeds of the land have not yet been completed, but there will be little further delay.

DIVISION OF BATANGAS.

The school work of the division of Batangas has been continuously under the direction of Mr. H. H. Buck, division superintendent, since November 29, 1903. The agricultural and industrial conditions of Batangas Province have improved considerably during the past year, and this improvement has manifested itself in a general advancement of school interests. Mr. Buck renders the annual report for his division, quoted in part below:

The amount of land taxes collected for school purposes is ₱29,669.78 this year against ₱19,125.61 of last; that appropriated from the general funds is ₱9,157.22, as compared to ₱5,220.60. The total receipts for the fiscal year of 1904-5 reach the sum of ₱41,148.10, while the total for 1903 and 1904 was only ₱26,836.21, including ₱2,490 borrowed from insular funds. These data, however, are apt to mislead unless considered with the explanation that the greater part of the land tax for 1904 was paid in the last semester, while that of 1905 was collected to a great extent during the early part of the year, the bulk of the payments for the two years thus being thrown in the fiscal year of 1904-5. As a matter of fact, the collections for 1904-5 exceed the total amount of land tax levied for school purposes, which is ₱25,998.57. Against this is balanced the fact that only one quarterly payment (that for the quarter ending January 1, 1905) of the internal-revenue funds was received during the year. The balances in the town treasuries are also encouraging. The total on hand July 1, 1905, was ₱7,066.48, compared with ₱1,451.72 of last year, with an indebtedness to be returned in long-time payments of ₱4,820.53 in 1904 against ₱4,050.63 in 1905.

As regards the financial support accorded by the board to the provincial school, the report is less satisfactory. The Commission in their lack of confidence in the municipal governments saw fit to set aside certain municipal funds to be used exclusively for school purposes, while the support of the provincial schools was left entirely to the discretion of the board. From the standpoint of the schools, this arrangement has yielded very poor results, and if the conditions in Batangas Province may be taken as a criterion, a law setting aside a part of the provincial funds for school purposes is as necessary as the one providing for the support of the municipal schools. This assertion is borne out by the willingness shown by many of the towns to increase the money by appropriations from the general funds, and by a comparison of the expenditures made by the province for school purposes with those made by the municipalities.

The support of the secondary schools with the industrial and agricultural departments will constitute for many years an ever increasing expense directly in proportion to the amount of work accomplished. For this purpose a definite provincial fund should be provided so that the plans could be made accordingly. As a solution I would recommend that a certain percentage of the provincial land tax be set aside to be spent exclusively for school purposes.

Thus the growing needs of the provincial schools would be certain to receive due attention and a great load would be removed from the mind of the division superintendent. Perhaps when, with the gradual approach of self-government, the provincial board is made more truly representative of the province, the proposed measure will be found unnecessary, but for the present it seems the only solution.

SCHOOL SITES.

In Batangas an excellent location for the provincial school was purchased with money remaining from the building fund. It is about 7 acres in extent and will provide sufficient land for athletic purposes and for the immediate needs, at least, of the agricultural work. As stated above, both Taal and Lipa have appropriated money from the general funds to purchase sites for the intermediate schools, and suitable locations have been selected. The town of Santo Tomás proposes to exchange a plot of ground formerly used for school purposes, but which is very small and situated, moreover, in an undesirable part of the town, for a more suitable location. It has not been thought wise in view of the poverty-stricken condition of the barrios, to urge the purchase of barrio school sites by popular contributions, nor has it seemed best at present to spend municipal funds for this purpose. However, where schoolhouses have been erected more or less suitable sites have been provided either by gift or loan, and in some instances money has been contributed in the barrios and definite purchases made. This matter can doubtless be taken up in a year or two and successfully disposed of.

SCHOOL FURNITURE.

Some progress has been made toward providing the schools with suitable furniture. As shown in the report on provincial expenditures, 250 pesos were spent for desks, the cost being 5 pesos each. Tanauan has purchased 100 desks of the same type but of a cheaper

variety of wood, at a cost of 4.50 pesos per desk, and Taal has ordered 75 desks in two sizes, at 5 and 5.50 pesos, respectively. Both Lipa and Bauan purchased a quantity of American lumber and ordered made a large number of desks of a rather cheap construction. In the barrio schools the desks and benches are made of bamboo, and, though they leave much to be desired, are, as a rule, equal to the seating accommodations in the homes of the children.

MUNICIPAL TEACHERS.

Great stress has been laid upon the training of the municipal teachers, and, as a class, they have responded in a surprising manner to the effort. Among the workers in this division are several who, while supporting themselves in their capacity as teachers, have made sufficient progress in subject-matter to successfully pass both the sixth grade and teachers' examinations, thus accomplishing six years of instruction in the teachers' classes and provincial normals. In view of their very evident worth the smallness of their salaries is a matter of considerable concern, but the scarcity of funds, coupled with the great demands made upon the schools by the territory left uncovered, has forced us to consider the salaries for which teachers can be secured rather than the worth of their services. The question of whether salaries should be paid the year around or during the session of school only is also one that has not been solved altogether satisfactorily. As shown by the report on municipal teachers, 10 pueblos pay salaries the year around, 3 pay during the session of the school, and 2 pay the teachers in the central school for twelve months and those in the barrios during the time that the school is held. On several occasions it has been attempted to make the practice uniform of paying for the twelve months, but the superintendent was confronted by the lack of funds and the necessity of either closing the schools for part of the year or following the former arrangement, and in the decision the welfare of the pupils was placed before that of the teachers.

On account of this difference in the time for which salaries are paid, in reporting the average monthly salary it is necessary to compute the amount received by each teacher yearly and report either the average salary for the months taught or for the twelve months of the year. Following this plan, the average yearly salary is ₱236.51, the average received by each teacher for the months during which school is in session is ₱24.46, and the average received on the basis of twelve months per year is ₱19.71.

INSULAR TEACHERS.

The only reward that is possible at present to give to municipal teachers who have given good satisfaction and who have acquired sufficient subject-matter to pass the teachers' examination is appointment as insular teacher, with salary ranging from ₱40 to ₱80 per month. In this province such an appointment generally means that the teacher must leave his native place and take charge of schools or districts that are too small to be supplied with an American supervisor, an arrangement that is not always satisfactory, in view of increased expenses, absence from home, etc. At present there are six districts under the charge of insular teachers, and, from what I have been able to see in my visits, with but one or two exceptions the schools are managed very well indeed. Some doubt was felt at the time of the examinations as to whether the tests had been conducted with fairness, and at the beginning of the present school year the principals of the intermediate schools were directed to report on students from certain pueblos that had been admitted to their schools. I am now glad to state that in every case the report has been favorable. As shown by the report on insular teachers, a number are capable of giving instruction in the intermediate grades, at least two being considered competent to teach all of the subjects in the intermediate course. There are still four pueblos or ex-pueblos where insular teachers are needed. It would greatly increase the efficiency of our school system if one or two insular teachers could be transferred to intermediate schools to assist overworked American teachers, and some five or six more given appointments to supply the places thus left vacant in other schools where they are needed.

INSTRUCTION IN PRIMARY SCHOOLS.

At the beginning of the last school year suggestive outlines covering the three years of primary instruction were issued from this office. In the main these outlines provided only for the work required in the official course, with the difference that more definite instructions were given in regard to the matter to be taught and the manner of presenting it. The one change of importance, perhaps, was that which provided for instruction in local geography in the second grade, but as this work was merely conversational it can not be considered a very radical departure. One feature of the work in English in this province has

been the teaching of English forms, by which term is understood the proper order of words in sentences, declarative, affirmative and negative, interrogative and imperative, involving the use of the principal auxiliaries in the different tenses which form, as it were, the framework of our language.

At the next normal it is our purpose to work out revised outlines of English, arithmetic, and geography, with some work in primary nature study, and by a course of normal instruction acquaint the teachers with the best manner of presenting the subjects and furnish them with definite outlines to follow in their schools.

INDUSTRIAL WORK.

Industrial work is now more than ever before receiving the attention due it. In twelve out of the fifteen organized municipalities there are fenced gardens, and all are taking more interest in agriculture. The main difficulty has been in finding teachers experienced in this line of work, or even willing to learn. On the part of the children there seems to be a large amount of enthusiasm and willingness.

Basket and hat weaving are being taught in Batangas and in some of the neighboring towns. A number of the children are wearing hats of their own manufacture, and we hope soon to be able to start a paying industry. Gardening and weaving will be taught at the normal as optional subjects.

The Batangas Manual Training School is now on a more satisfactory basis. The supply of lumber received from the department is being used to fabricate articles needed by the school, and the boys show a great deal of enthusiasm in the work. In the matter of equipment considerable is still lacking, but as a rule the articles needed are such as can be made in the school. At present the shop is supplied with 10 double workbenches, 14 drawing tables, 1 large tool cabinet, and the pupils are making a cabinet for drawing tools. With a reasonable amount of support on the part of the province it is believed that the school will accomplish excellent results.

AGRICULTURAL DEPARTMENT.

The agricultural department ^a of the school is less flourishing. Last May the province was asked to furnish a heavy work animal to do the plowing, but refused on the ground that the support of the animal would be too costly. The division superintendent maintains that with the proper manager the land that we have—about 3 acres—would not only support the work animal but be a source of income. The farm work properly conducted should not only educate the pupils in the practice of raising crops, but familiarize them with the economy of a farm. Coordinated with the work in arithmetic, it should furnish practical problems in mensuration, keeping of accounts, profit and loss, etc. To take up the work in this manner, however, it is necessary to have a man in charge who is willing to put in extra time for the sake of success. If the department could furnish an enthusiastic, able man to take charge, I feel sure that the province would lend more support; and even in case it should not, funds could be raised by subscription or otherwise to carry on the work.

OFFICE OF THE DIVISION SUPERINTENDENT.

The increase in the number of reports required from the division superintendent, together with his constantly increasing property responsibility, has left him very little time to visit school and attend to matters strictly pedagogical. Property cares are especially engrossing, and it would seem that this branch of the work could be shifted to the shoulders of the division clerk by raising his status and making him a property clerk directly responsible to the property division in the central office. The time thus gained by the division superintendent could be spent to an advantage in raising the standard of instruction and systematizing the schools of the province.

LOCAL SCHOOL BOARD.

Act No. 74 of the civil commission establishing the Philippine public school system provides for a local school board in each pueblo, but even a casual perusal of section 11 will show that the duties of this board are merely recommendatory. It would seem that the framers of the law had found it impossible to leave out of the system altogether an institution that has borne such a prominent part in the development of the public school system

^a Since this report was written the bureau of education has acquired the Batangas farm of the bureau of agriculture and is undertaking an educational agricultural experiment of wider scope in Batangas than at any other point in the islands.

of the United States, but in a spirit of distrust they withheld all the powers that give the school board its peculiar value, and as all useless things in nature tend to disappear, the school board has never had any existence except on paper.

It may be that the school board has no place in our system. It must be remembered that while the schools in the United States commenced with the district and gradually became a system through a course of evolution not yet complete, as can be seen by comparing the school organization of a typical western State with that of New York, our schools here commenced with a central office that rapidly sent its ramifications into the provincial capitals, the pueblos, and latterly into the very barrios.

As the growth of the system in America was at the expense of the school board, so the growth of the school board here will be at the expense of the system. In other words, if the powers of the school board are to expand—and expand they must, if the board is to exist—the growth must limit and in measure encroach upon the powers of the superintendent. True, certain powers in the matter of appropriations were given (if we are to follow the late decision of the Attorney-General) to the municipal council, but if we observe the general practice it will be found that in nearly every case the superintendent has usurped this prerogative in all but form. The councils are asked to appropriate money in lump sums, to be disbursed under the direction of the division superintendent, and the only voice the local authorities have in the matter is in fixing the amount of general funds to be appropriated for school purposes. If this condition of affairs is satisfactory, then, indeed, there is no necessity for a local school board.

If, on the other hand, it is believed that the school board is a useful institution and worthy of preservation, it should be decided what prerogatives the school board is peculiarly fitted to wield and what powers belong by nature to the superintendent.

As a basis of distinction, the board might be considered as furnishing the local knowledge and the superintendent the professional. In all matters, then, relating to the course of study educational and moral qualifications of teachers and principals, sanitation of buildings and grounds, examinations, etc., the will of the superintendent should be supreme, while in affairs of direct concern to the people of the neighborhood, as the location of the school buildings, personal acceptability of the teacher, expenditure of local funds, with the exception of the salaries of the teacher, the scale of which should be fixed for the province by the superintendent, the board should act subject only to the general supervision of the superintendent.

Working on the hypothesis that the division of powers outlined above is the correct one, the attempt has been made in the province, first, to secure suitable men for the boards, and by personal talks, circulars, reports, etc., arouse their interest in school work and make them acquainted with our aims and needs. When visiting the towns it is my practice either to request a meeting of the school board or to visit the influential members in their homes to discuss school work. Monthly reports are made by the supervising teachers to the president of the school board, and the members are encouraged to secure from the municipal treasurer a statement of the condition of the school treasury. Circulars are also sent from the office of the division superintendent setting forth the condition of the school work in this province and showing the progress of the different towns in this respect. The yearly estimates are made out by the school boards on the basis of notes furnished by the division superintendent, and submitted to the council for approval, and all additional expenses are submitted to them before being sent to the town council.

This development of the school board has extended over a period of several years, and is not yet complete. It has been marked by many experiments, some of them failures, but all helpful. The school boards in the towns of Taal and Lipa are especially active. At the last meeting in Taal it was suggested that the responsibility of inspection, etc., should be divided among the different members of the board, each member having certain schools under his charge, and that each barrio or collection of barrios where there is a school should have a subboard to look out for the interests of local education. This plan has been carried out in at least some of the subdistricts, and the idea is thus being tested. If it proves a success, it may be taken up in other towns and made a part of the system.

Whatever the school board eventually becomes, it should be allowed for the present to have free development in matters where local rather than professional knowledge is needed. The superintendent should retain his authority in all matters exclusively within his sphere, but should yield up the control of local affairs to the local body as soon as this is properly organized for the work. It is admitted that this may cause some little inconvenience and that in some instances there will be abuses of authority, grafting, etc., but this will be counterbalanced by the greater interest taken in school work and the establishment of closer relations between the schools and the people, and, above all, the theory is democratic and bound by the very nature of things to succeed among a people who are being prepared for self-government.

OUTLOOK FOR THE FUTURE.

In scanning the conditions of the past year there are several features that seem to augur well for the future. The economical situation of the province is constantly improving, a matter which can not fail to have a favorable effect upon the school treasury; the standard of education among the municipal teachers is constantly advancing, and the people themselves are learning to have and manifest a more intelligent interest in the school.

The American teachers, moreover, seem satisfied with their work and are very ably seconding the effort to introduce the new features outlined in this paper. With the exception of one or two towns where the teaching force is altogether inadequate, I believe the results of the present year's work in the province will be extremely satisfactory.

DIVISION OF BOHOL.

Mr. L. T. Gibbens, division superintendent of schools for Bohol, was granted leave of absence to visit the United States on July 14, 1904, and returned January 7, 1905. During this interval Mr. H. L. Noble served as acting division superintendent.

The people of Bohol have always shown very great interest in the public schools, as indicated by the very large attendance and the willingness of the people to erect new buildings, to pay salaries of teachers from private subscriptions, and to assist by their own labor in the erection of school buildings.

Long droughts have brought about a condition of poverty among the people, which in some districts has been almost universal, and has led to special action of the Philippine Commission to relieve their distress. The school revenues of the province are therefore small, and some of the salaries paid native teachers are quite insignificant. Owing to the slight compensation of these teachers their attendance upon annual normal institutes of the division has been difficult, and in some cases impossible. Many of them have made very little advance in the knowledge of English and have a limited education in Spanish. Upon recommendation of this office the Commission has appropriated ₱6,000 to be expended in such a way as to enable all teachers of the division of Bohol to attend the institute, which has assembled at Tagbilaran on September 12, 1905, and which will continue in session for two months. With these funds it is proposed to purchase relief rice, which will be apportioned to the various teachers for their support and also to serve as compensation for their services during the remaining months of the current calendar year.

Excerpts from Mr. Gibben's report follow:

NORMAL INSTITUTE.

The Normal Institute was a continuation of the institute of 1903-4, which convened May 23 and continued for eight weeks, four of which were within the school year 1904-5. Five hundred and fifty-four pupils, of whom about one-half were teachers, were enrolled. Tagbilaran furnished 175 of the enrollment, and 29 pueblos were credited with the remainder. Three pueblos had no representation in the institute. The course of study conformed to that laid down by the general superintendent of education, and the work of teaching was done by 11 American teachers. The school day was divided into six recitation periods of forty and forty-five minutes each, and each teacher who had less than five of such periods of teaching each day was required to teach one hour each night. Six night schools were in session each week and were well attended. In addition to the class-room work, 24 pupils received instruction in mechanical drawing and carpentry each day. The institute closed July 16, and by August 1 all the municipal schools were in session with an attendance of approximately 13,000.

SCHOOL FINANCES.

The amount of money available for school purposes from the 23 municipalities reported is as follows:

Land tax, ₱6,400.94; internal revenue, ₱5,396.35; appropriations from general funds, ₱2,602.80; loans from general funds, ₱1,135.70; reimbursements, ₱42.09.

No towns levied any land tax in addition to the one-quarter of 1 per cent required by law for school purposes.

Total expenditures for municipal school purposes, with balances and unpaid obligations, are as follows:

Teachers' salaries, ₱7,101.76; repair and erection of school buildings, ₱508.32; school furniture, ₱130.59; incidentals, ₱184.22; balances, ₱1,310.68; unpaid obligations, ₱2,437.36; deficits, ₱1,127.68.

October 2, 1902, the provincial board appropriated ₱10,000 for the support of a provincial school in Tagbilaran. A municipal building has been leased and fitted up for the temporary home of the school, and there is still available ₱7,429.86 of the appropriation. The provincial board has made an additional appropriation of ₱10,000, contingent upon the insular government giving a like sum, for the building and equipment of a provincial normal and agricultural school. The sites have been selected and the municipio of Tagbilaran has deposited ₱1,000 with the provincial treasurer as a donation for the installation of a pumping plant on the site chosen for agricultural experimentation, and has promised to donate 20 hectares of land.

The site chosen upon which to erect the buildings is situated in the barrio of Cogon, about 2 kilometers distant from the center of the town, and comprises approximately 3 hectares. The agricultural tract is situated in the barrio of Taloto, distant about 4 kilometers, and comprises nearly 18 hectares.

The municipal revenues for school purposes are woefully inadequate, as may be seen from the statistics included herein. Under these circumstances it is difficult to get teachers who are willing to work for such small salaries, which, in few cases, are paid promptly. Collection of the land tax has been postponed until October 1, and the collections from the internal revenue will not meet previous expectations.

PRIMARY INSTRUCTION.

Primary instruction in English has been given by 24 American and 13 Filipino insular teachers in 18 pueblos, representing a total population of 177,396, and a school population of 35,479. Fifteen pueblos, with a population of 91,577 and an estimated school population of 18,365, received instruction from municipal teachers without supervision from American teachers. Under a separate cover recommendations are made for redistricting the division, accompanied by a request for additional teachers, which will bring the entire division under the supervision of American teachers.

STATISTICS.

Number of Filipino teachers: Male, 83; female, 52; total, 135.

Average salary per month: Male, ₱4.25; female, ₱6.82; average, ₱5.53.

Amount expended for salaries, ₱7,101.76.

Schools in the division: Primary, 183; provincial, 1; total, 184. Night schools, 7; total, 191.

Number of schoolhouses, 176.

Number of teachers: American, 24; Filipino insular, 15; municipal, 201; total, 240. (Revised to July 31, 1905).

Population of division, 269,233.

School population, 53,844; enrollment, 30,059; average attendance for year, 15,592.

Municipal appropriations for school purposes, ₱10,181.53.

Appropriation per capita of Christian population, ₱0.038.

Number of night schools, 7; enrollment, 303; attendance, 214.

Average number of nights taught per month, 78.

Per cent of attendance, 70.

Population, 269,233.

School population, ages 6 to 16, inclusive, 53,844.

Number of children who should be in school, 14,956.

Enrollment July 1, 1905, 15,259. Attendance, July 1, 1905, 12,000, approximately.

Number of children in the division for whom additional instruction must be organized, 3,000, approximately.

Per cent of children in school, 28. Per cent of children to be reached, 5. (Number of children who should be in school is based upon one-eighteenth of total population.)

SCHOOL BUILDINGS.

During the school year 47 barrio schoolhouses, estimated value, ₱14,314.20, and 2 municipal schoolhouses, estimated value, ₱4,138.50, were built by voluntary contributions of labor, materials, and money as follows:

Contributed labor and materials.....	₱14,315.20
Contributions of money.....	713.50
Paid from school funds (municipal).....	3,425.00
Total	18,453.70

The barrio schoolhouses vary from the cheap bamboo structure, with dirt floor and nipa or cogon roof, valued from ₱16 to ₱50, to the more substantial wooden building, with hard wood floor, tabique (native plaster on bamboo lattice work) walls and partitions, and nipa roof. The poorest barrio schoolhouses are to be found in the districts not yet under the supervision of an American teacher. The best are in the barrios of Laoy, those of Butoc, Cuyapó, and Tegis being excellent models of permanent barrio schoolhouses.

The people are becoming convinced of the necessity of building more permanent schoolhouses, and now instead of having a cheap affair in each barrio they are looking to district formations with one good substantial school in each district. As far as the topography of the country will permit, these districts conform to the districts of the members of the local council, and frequently comprise five or more small barrios. In this manner the interests of the member of the council for the district and the lieutenant of each barrio within that district are united in the work.

Two district schools are now in projection in the municipality of Tubigon, one in Calape, one in Dimiao, and two in Alburquerque. In the barrios of Ilijan Norte, Tubigon, and Mandaog, Calape, a tract of land 120 by 180 feet will be purchased for school and garden purposes. In the barrio of Cornago, Alburquerque, the schoolhouse will be erected on public land, which is ample for vegetable gardening.

SCHOOL YEAR 1905-6.

The proper grading and classification of pupils is impeded by the lack of sufficient and suitable primary books, charts, and qualified municipal teachers. The American teachers have their central schools fairly well graded, and are extending the work to the barrio schools. According to the reports for the month of June, the following is the enrollment by grades:

Grade I, 12,619; Grade II, 2,023; Grade III, 617; Grade IV, 58; Grade V, 16; Grade VI, 9. Total, primary, 15,259; intermediate, 83; grand total, 15,342.

During the month of July the division superintendent visited 20 pueblos, including the 16 supervised by American teachers, and has received information from the others. Much suffering from hunger exists in the division, but the intensity varies in different pueblos. In Garcia Hernandez the local officials petitioned that the schools be closed on account of the destitution of the people and their inability to send their children to school, while in the contiguous district of Valencia there has been no diminution in attendance, and the supervising American teacher says that he hears no more complaints of hunger than in former years.

Number of American teachers, 24.

Number of Filipino insular teachers, 15.

Number of municipal teachers paid wholly by municipal funds, 70.

Number of municipal teachers paid partly by municipal funds, 60.

Number of municipal teachers paid wholly by contributions, 71.

DIVISION OF CAGAYÁN.

Mr. H. E. Bard, division superintendent of schools of Cagayan and Isabela, was granted leave of absence to visit the United States on April 16, 1905, and Mr. H. M. Wagenblass was appointed to serve temporarily in his place. On April 27, 1905, the division was separated by law into school divisions, conforming in extent to the provinces of Isabela and Cagayán. On June 1 Mr. J. J. Coleman was transferred from the division superintendency of Nueva Vizcaya to the superintendency of Cagayán.

Funds actually available during the fiscal year 1904-5 in each town.

Town.	Land tax one-fourth of 1 per cent.	Internal revenue.	Appro- priation from general fund.
Abulug.....	P 1,924.08	P 120.72	
Alcalá.....	967.29	56.67	
Amulung.....	1,200.00	449.92	
Aparri.....	3,214.49	122.38	P 6,000.00
Baggao.....	630.25		
Camalanigan.....	1,199.00	173.61	
Clavería.....	493.47	50.51	223.07
Enrile.....	1,447.89	150.00	
Gattaran.....	317.31	16.06	
Iguig.....	596.52	49.92	
Lallo.....	1,400.74	48.93	
Mauanan.....	280.27	23.91	
Pamplona.....	134.11	20.05	
Peña Blanca.....	1,099.48	32.25	
Piat.....	785.00	23.57	
Sánchez Mira.....	334.83		28.09
Santo Niño.....	655.08	325.01	
Solana.....	1,798.54		
Tuao.....	1,121.07	46.81	2,200.00
Tuguegarao.....	3,117.48	104.50	
Total.....	22,665.90	1,814.82	8,451.16

Municipal school expenditures, fiscal year 1904-5.

Town.	Teachers' salaries.	Repair and erec- tion of school buildings.	School furniture.	Inciden- tals.
Abulug.....	P 1,280.00	P 1,019.10		P 31.20
Alcalá.....	1,206.00	128.70	P 73.41	
Amulung.....	1,662.00			
Aparri.....	2,736.13	342.70	457.25	174.80
Baggao.....	421.00	883.66		
Camalanigan.....	1,260.00			
Clavería.....	434.00	662.82	2.50	
Enrile.....	828.00	300.00		
Gattaran.....	142.07	63.00		
Iguig.....	793.00		125.00	35.90
Lallo.....	1,027.58	34.53	82.25	
Mauanan.....	543.58		.50	
Pamplona.....	167.50	404.61		
Peña Blanca.....	358.00	145.75		7.00
Piat.....	834.80	78.35	22.20	
Sánchez Mira.....	674.80			
Santo Niño.....	559.35	380.00	15.35	
Solana.....	1,162.34	137.50	560.00	12.00
Tuao.....	1,076.00			360.80
Tuguegarao.....	2,951.46			
Total.....	20,117.61	4,580.72	1,328.46	621.70

Estimate of the amounts given in land, labor, and materials by the people of Cagayán Province for the support of schools.

	Land (acres).	Labor (money value).	Material (money value).
Aparri.....	5	P 100	P 500
Alcalá.....	3	1,000	1,500
Sánchez Mira.....	2	200	250
Clavería.....	2	750	500
Tuguegarao.....	10	2,000	1,500
Total.....	22	4,050	4,250

Table of supervising districts, 1904-5.

District.	Population.	Town.	Number schools.	Enrollment.	Proposed supervising teacher.
District I—Abulug.....	21,219	Abulug..... Claveria. Pamplona. Sánchez Mira.	6	1,681	P. E. Burns.
District II—Aparri.....	34,449	Aparri..... Camalaniugan. Lallo	9	2,803	J. C. McBee.
District III—Alcalá.....	20,439	Alcalá..... Amulung. Baggao. Gattaran.	13	1,706	C. E. Andrews.
District IV—Tuao.....	18,447	Tuao..... Plat. Mauanan. Santo Niño.	5	1,641	B. B. Hunter.
District V—Tuguegarao.....	38,947	Tuguegarao..... Solana. Iguig. Enrile. Peña Blanca.	15	2,418	H. M. Wagenblass.
District VI.....	8,986	Calayan..... Isbayat. San Carlos. San Vicente. San José. Basco.	6	510	Wm. Edmonds.
Total.....			54	10,759	

DIVISION OF BULACÁN.

This report is rendered by Mr. H. A. Bordner, who has served continuously as division superintendent of schools for Bulacán during the school year. The province is populous, comparatively small in area, and easy of supervision. It has been well supplied with American teachers and more amply provided with school texts than any other province in the archipelago. Under the favorable industrial conditions which have prevailed in the division, school work has therefore progressed very satisfactorily.

The schools in Bulacán have made good progress. The school spirit and the interest manifested everywhere are highly satisfactory. The American teachers have rendered faithful and conscientious service, and to them, in large measure, is due the advancement of the schools. The insular and municipal teachers have advanced rapidly and as a whole have rendered valuable and satisfactory service.

The municipal officials are beginning to appreciate the value of the public schools, and the keen interest they have shown during the school year is abundant evidence of this appreciation.

RECEIPTS AND EXPENDITURES.

The gross receipts for the year amounted to ₱72,971.66, and the total expenditures to ₱42,334.51, which shows a balance of school funds on hand March 31, 1905, of ₱30,637.15.

TEACHERS.

The work of the American teachers during the year may be divided into five distinct fields. The most important and arduous work is that of the supervisor. The supervisor is directly responsible for the welfare and the progress of the schools in his district. His duties are manifold, and varied phases of school work constantly claim his time and energy. The second division of this work is that of the high-school teacher. Most of the work in the intermediate schools is done by American teachers. The intermediate work is important, because these schools finish the school days of a very large percentage of the children. The remaining two divisions are the night-school work and the work of the teachers' classes. The first is important, because a class of people is reached who can not or will not attend the day schools.

The insular teachers are doing commendable work, and they are a continual source of inspiration to municipal teachers. The ambition of the municipal teacher is to become an insular teacher.

The municipal teachers are all graded according to the outlined course of study. The province of Bulacán has at present only three teachers who have not passed the third-grade examination.

Every municipality has its organized public schools and legally appointed and regularly paid teachers. The barrio schools are so distributed that there are but very few barrios without an accessible school. I am safe in saying that 98 per cent of the children in Bulacán have school privileges within 2 miles from their homes. A few small and isolated barrios form the only exceptions. The barrio of Sibul, situated around Sibul Springs, has at present no school. The population formerly was so small and the present population is so transient that up to the present time it has not been deemed necessary to establish a school there.

GRADING.

At the close of the school year, in March, 1905, all the schools were more or less thoroughly graded. During the school year many pupils did work in two different grades to make up deficiencies. At the opening of the schools in June, 1905, the majority of the pupils were able to do regular grade work.

The municipal teachers received, previously to the opening of school, instruction in how to grade schools, the subjects to be taught, and the amount of ground to be covered in the three primary grades as suggested in the course of study. The supervising teachers all have explicit instruction to plan and outline the work of each municipal teacher so that by the close of the present school year the grading will be as nearly perfected as conditions will allow, bearing in mind that a school in which the grading is the basis rather than the needs of the pupils, the highest usefulness of the schools can not be attained.

NEW SCHOOL BUILDINGS.

During the time covered in this report 13 school buildings were constructed, all of which, but 3 are completed. Plans and specifications are now ready and the money available for 5 more new houses, which will be built during the present year. Four of the 13 houses were built from municipal school funds and 9 by donation.

The schoolhouse in Quingua, which was completed in September, 1904, cost ₱1,854. It is a 3-roomed house, with a stone foundation. The frame and floor, including doors and windows, are made of wood, the sides and partitions are made of saualé, the roof of bamboo and nipa. The rooms are 24 by 26 feet, well ventilated, and built in conformity to hygienic and sanitary laws. The house has two coats of oil paint both inside and outside, and is provided with a book room and water-closets. The house built in Bigaá, a barrio of Bucaue, is similar to the house in Quingua. The building price is the same. The house in Guiguinto, a barrio of Bulacán, has two rooms, nipa roof, and wooden frame; the floor, doors, and windows are also of wood. The house has a book room, a tool room, and two water-closets. The house has a stone foundation, and two coats of paint both inside and outside. Each room is 28 feet long and 24 feet wide, and a hall way 8 feet wide. The cost of this house was ₱1,800. This house was completed July 25. The house in Marilao is similar to the house in Guiguinto, except that the house in Marilao has a roof of corrugated iron and cost ₱2,000. Ninety per cent of this house is at present completed.

PROVINCIAL HIGH SCHOOL.

The provincial high school is temporarily located in the town of Baliuag. The building used as high school contains 6 fair-sized recitation rooms, 1 small recitation room, and a book room. The rent of this building costs the provincial board ₱42 per month. The janitor gets ₱8 per month; this makes a total of ₱584 for rent and janitor. The incidentals amount to enough to make an annual expenditure of about ₱600 per year for the provincial high school.

Plans and specifications for a new ₱30,000 high school are completed, and the money for said building is appropriated from provincial funds. This new building will be ready for occupancy not later than June 1, 1906, and possibly by January 1, 1906.

INDUSTRIAL WORK.

The industrial work in Bulacán is limited, due partly to natural causes and partly to a lack of necessary funds with which to successfully carry on this work. Gardening, weaving, hand sewing, candy making, and the economic uses of bamboo and bejuco in making miniature articles of furniture and other utilitarian utensils are the principal lines of the industrial work. Money has been apportioned from insular funds for the construction of an industrial school in Malolos in connection with the projected provincial high school. Wood working and metal working together with mechanical drawing and designing are to be taught in this school.

SCHOOL REVENUES.

The total income for the present school year will be considerably less for the school year 1905 and 1906 than was estimated. This reduction is due to two causes: In quite a good many cases the assessments were too high, and a tax refund was ordered from the taxes collected in 1905. Just what this refund will amount to in Bulacán can not be definitely estimated at present. In some municipalities, however, it is quite an item. The internal-revenue distributions are also very much smaller than we had anticipated. The first two distributions in Bulacán amounted to only ₱3,359.68; calculating on the same basis and four distributions per the annual school income from internal revenue would amount to ₱6,719.36 against ₱17,866, the amount estimated on January 1, 1905.

Bulacán has large tracts of the friar lands, which were bought by the insular government, and while these tracts remain public domain the municipalities receive no taxes from said lands. All of these causes combined to lower the school revenues.

DIVISION OF CÁPIZ.

Mr. E. A. Coddington, division superintendent of schools for Cápiz, renders the annual report for his division. In no division has there been more marked development of school work during the past school year than in Cápiz, in so far as extension of school system is concerned.

In the early part of the school year 1903-4 the enrollment for the province was slightly over 1,000 pupils. At the end of the school year 1904-5 the enrollment was 12,505 and the attendance 9,828. This extension of course reflects the increasing interest and competency on the part of the resident Filipino officials and people of the province. Special effort has been made throughout the province of Cápiz, particularly at the capital, toward the introduction of various phases of industrial work in the primary and intermediate grades. This has been particularly along the lines of agricultural experiments in school gardens and training in the manufacture of simple articles of commercial value from local materials. The industrial department of the provincial school is attended by nearly 1,000 pupils.

This report marks the close of the school year 1904-5, and it is desired to call your attention to the conditions and growth during the year of the school work in this division. Ten teachers landed in Cápiz September 14, 1901. There were 2 regularly appointed teachers already in the province, 1 at Calivo, 1 at Ibajay, and Mr. Shoens was appointed for Cápiz. Two American women and 1 man came in November. On account of heavy rains in December and January, and because none were acclimated, some transfers became necessary. Cholera broke out and stopped the schools at different times and in different places in the fall of 1902, greatly interfering with the work. Two men were taken sick and returned to the States, and 2 women were transferred, so that the close of the school year 1902-3 showed 10 American teachers, who were teaching about 700 children, with attendance increasing as the cholera died out. Three teachers were transferred from the bureau during the vacation, and one returned to the States, leaving only 6 American teachers in the division for the opening of the school year. This enabled us to open schools in only 3 of the 34 towns in the division. Three teachers came in August. The harvest season diminished the attendance, as usual. A large attendance was demanded before the teaching force would be increased. All this time the work has been done on the intensive plan, each American teacher giving careful instruction to a group of from 50 to 75 or 100 of the brightest children that he could reach in his town, training them as aspirantes and teachers. The people at large were not encouraged to send their children to school. We at once invited every family to send all of its children of school age, with the result that the attendance increased and new teachers came, so that at the close of the school year 1903-4 there were 9,022 pupils enrolled, 22 American teachers, 50 Filipino teachers, 55 schools of English, only 4 towns in the division without teachers and schools of English, and 4 per cent of the whole population was enrolled in the English schools.

Up to the beginning of the present school year the schools had been discontinued many times on account of church festivals, heavy storms, sowing, harvesting, cholera, and the people had shown a marked disposition to take their children out of the school or permit them to absent themselves from school for the smallest reasons. These things had greatly hindered the progress of the work with those who were actually enrolled. The American teachers as a body were unanimously of the opinion that their pupils were not sufficiently advanced to teach schools, even under American supervision, and there was little prospect that the towns could pay any considerable number of native teachers. Consequently there was decided opposition, both quiet and more or less loudly expressed, when the

supervising teachers were directed to establish schools and thoroughly organize the field. This opposition has been largely overcome; the number of schools has been multiplied by three; 137 native teachers have been appointed; nearly all of them have now been paid in full; a small amount of internal-revenue fund has been received to be distributed to the towns; there is a balance in most of the municipal treasuries, and the enrollment and attendance have been increased more than two and one-half times. The attendance and enrollment are much less than they otherwise would have been had the supervising teachers been able to furnish pupils with necessary supplies. At the meeting of supervising teachers held here in January, I stated to the teacher that I would like to see the names of half of the children of school age in the division on the rolls of the schools at the end of the year. They have done more than I asked. According to your estimate for the islands they have enrolled more than 60 per cent of the children of school age in this division. In case the bureau can furnish supplies and the municipalities can pay the teachers, there are a great many more children ready to place their names on the rolls of schools during the coming year.

THE PROVINCIAL SCHOOL.

Though there have been many changes in the teaching force of the provincial school, the spirit of the school has never been better than at present, and the enthusiasm for the coming year is great. The institute already has a military company, also a literary society, which holds a business session and gives a programme every Friday afternoon. In addition, a piano is being talked of, also the organization of a band or orchestra. I am inclined to believe that these things are within the range of the possible, and depend largely upon the interest and zeal which our teachers and young people can arouse along the desired lines. Since the transfer of Miss Fee to Manila it has become more and more evident every day that a woman teacher is needed in the school. It is almost an absolute necessity on account of the number of young women enrolled. More than this, someone is needed who can teach domestic science and take charge of the model house. If the attendance justifies it I shall endeavor to establish separate dormitories for girls and boys, and we shall need an American woman to inspect and control them. The prospect is good that the school will double its enrollment and attendance during the coming year.

THE CÁPIZ INDUSTRIAL SCHOOL.

The Industrial School, while a part of the provincial school, has become almost an independent school, giving training and instruction along practical lines to a large part of the pupils in both the primary and provincial schools of Cápiz. It is hoped to better systematize and grade the work during the coming year. We try to open up to pupils and people a view of the industrial needs and possibilities in this particular province, as well as all over the Philippines. Mr. Corcoran has the work which has been under his direction—i. e., carpentry, clay modeling, drawing—well under way. As soon as the model house is opened we hope to give some attention to cooking, laundering, and perhaps dressmaking. Mr. Alonzo has done good work in carpentry, and he should be retained at an increase in salary. The difficulty in this work is to get sawed lumber for the pupils to work with. If a small upright sawmill could be purchased it would help the school wonderfully and be a blessing to the whole province.

GENERAL INDUSTRIAL WORK.

In the gardening and agricultural work we hope to make some changes and considerable progress during the coming year. The following towns have been selected as proper locations for school gardens: Pilar, Pontevedra, Cápiz, Panitan, Dao, Dumalag, Calivo, Malinao, Libacao, Ibajay, and New Washington. The gardens will be as carefully selected as possible and fenced. We then hope to have samples of the soils analyzed at the government laboratory and kept in this office and by the teacher in charge of each garden for future reference and study. We hope to get some suggestions and instructions for this work from the bureau of agriculture, also carefully selected packages of seeds—the same for each garden. It is my intention to put all of these gardens under the teacher in charge of the work in Cápiz, have them regularly inspected, and all correspondence on this subject carried on through him. In this way I believe we can arouse a great deal of interest in agriculture and thus, in a short time, greatly improve the condition of the province commercially. I shall hope to get Chief Welborn and Professor Lyon of the bureau of agriculture to come, inspect our work, give us instructions and suggestions, and, more than this, give some practical talks to the people in the agricultural centers of the province on agriculture in this country.

In the teachers' classes the supervising teachers are training up a class of the very brightest material for future teachers. There are 17 classes, with an enrollment of 309

students and a daily attendance of 270. The most unfortunate circumstance in this part of our work is that the schools of many teachers are so far from the center or poblacion that it is impossible for the native teachers to attend the teachers' class. Thus the teacher is compelled to study by himself and keep ahead of his classes, and not uncommonly he makes sorry work of it. What is more, a number of our teachers teach two schools—in one place in the morning and in another in the afternoon. This condition makes a frequent change of teachers necessary for the progress of the work.

The school finances of many of the municipalities have improved more than was expected during the past year. The total of the monthly pay rolls of all the towns is over ₱1,500. In most cases the teachers are paid as soon as the pay rolls can reach the municipal treasurers. Only a few towns have not paid their teachers for March and perhaps one or two for February, while only one town, I believe, owes anything for salaries further back than January, 1905. By the last reports it will be noted that there was a balance of ₱5,161.58 on hand for school purposes in the municipalities of the province. However, with this amount on hand the towns are very poor, because many schoolhouses must be built, much is needed for repairs and furniture, in addition to salaries for teachers.

School buildings are to-day the greatest need of the province, considering the number of children enrolled. Thirty-eight schoolhouses have been built during the year; many are in process of construction. Necessarily one of the most important features of the coming year's work will be that of building schoolhouses. In many cases the schools have outgrown the capacity of the private houses which have been furnished gratis in order to have schools.

It is desired to call your attention to the school summary for this division for the school year 1904-5, hereto attached. The support of the people as a whole seems to me very good indeed. The better they understand the work of American schools the better they like them. The visitors' day has in some parts helped us to get in touch with the people. School exhibition and review day has also helped along this line and given the people some idea of the extent of the school movement. Accounts of these exercises in Malinao and Calivo follow:

Mr. L. P. Willis, supervising teacher of the Malinao district, renders the following report:

"In accordance with a recent circular sent out from your office for a general review of the schools, I made a tour of all my barrios, and upon interviewing the teachers I found that owing to the great distance some of the barrios were situated from the central school it would be impossible to get even a small delegation from those barrios to attend, so I decided to have two reviews. Accordingly, on the 27th the schools of Rosario, Daja, Toralba, and Badiangan met in Daja. There were present 512 pupils and as many parents and friends, an unusual gathering for a barrio of the mountain section. The exercises were simple, consisting of the regular lessons by the most advanced pupils of each school. The people took a great interest in the work and had the house nicely decorated with green branches and flowers.

"The exercises were held in Malinao on the 29th and proved the crowning effort of the year's work. The procession of 800 pupils marching by fours, each separate school carrying a banner, was highly appreciated and participated in by a goodly number of the townsfolk. Music was rendered by three bands. After the procession had made the circuit of the town all marched to a near-by grove of coconut trees, where a platform had been erected and neatly decorated with green branches and flags the day before, where the remainder of the programme, consisting of recitations in English and Visayan and songs, was well rendered by the pupils of the central school, after which were speeches by some of the leading citizens and the priests of Malinao and Libacao, paying great tribute to the efforts of the American teachers.

"These exercises, though given on a small scale, I feel are not without their good results. The people rejoice at the rapid improvement of the irchildren, while the pupils themselves, being given to understand that only those who do the most progressive work during the year will be permitted to participate in these exercises, will put forth greater efforts in their studies. And with this active competition better work may be expected."

Mr. W. L. Bowler, reporting upon the school exhibition in Calivo at the end of the school year, says:

"Plans for a review day were laid soon after Christmas vacation. A chorus and orchestra were organized in the central school and several scholars were chosen to write and learn compositions. The intention was to have one representative from each barrio, but this was found unfeasible and dropped. During February and March the recess hour was spent drilling the children in the simpler evolutions in sets of fours, each teacher using the same system and commands, so that at the end one person could easily command the entire line.

"As there was no building large enough to house the crowd expected, a large covered platform was built facing the plaza, which eventually proved to be none too spacious. On the platform were seated the councilmen, chorus, orchestra, speakers, and specially invited guests.

"The speeches were nearly all given in the native dialect, by some of the 'principales' of the town. They showed that the speakers had risen to the occasion, and all were loud in their praises to the American Government and its system of public schools. Each one took a phase of education and did his best to present his subject in a way that would be readily comprehended by the poorer people, who were encouraged to find the way to better things through the schools.

"The most remarkable feature of the day was the procession. About 1 o'clock the barrios began to come in with their standards, imitation guns, and those from the larger barrios accompanied by bands of music. Lieut. J. J. Guild, of the Philippine constabulary, kindly took charge of this part of the day's exercises, and as the schools came in one by one they were taken in hand by soldiers until called for. There were over 2,500 in line, but everything went off as smoothly as a regimental parade. As the procession went around the town and returned to the plaza, swinging from sets of fours to platoons, the people began to realize the full extent of the schools scattered about through the municipality and seemed very much impressed. Many were heard to say that it was much more imposing than the Holy Thursday procession, which is Hoyle to this part of the world. During the exercises, about four acres of people packed into the plaza and patiently and enthusiastically listened till the end.

"As an exhibition of what the masses had been learning during the year it amounted to very little, but as a demonstration of what was to be expected later on and in enthusing the people it had its effect."

DIVISION OF CAVITE.

Mr. Sidney A. Campbell was appointed division superintendent of schools for Cavite on January 5, 1905, and has since served continuously in that position. He renders the annual report for his division.

The school work in the province of Cavite has been greatly disturbed during the past year by ladrone bands throughout the province, leading to the adoption by the government of a reconcentration policy, which remained in force for some months. Regularly organized schools in the communities affected by this policy were necessarily discontinued. During this period no land taxes were collected, and funds available for schools were therefore greatly reduced.

Moreover, a considerable portion of the area of Cavite is included in the friar estates, which have been purchased by the government. There is, therefore, no revenue in the form of taxes on these lands now payable to the municipal treasurers. The Commission has been urged to apportion from the insular treasury to the municipalities so affected amounts such as would normally be paid in taxes were the property held by private parties. This arrangement will give the schools sufficient funds to continue their operations as formerly.

In the annual report for 1903 for the province of Cavite the following is the opening sentence: "The last year has been one of calamities for Cavite Province." It is said that history repeats itself, and it seems to have been doing so in this province for the last seven months.

The school work opened up June 19, 1904, with the brightest prospects and continued to improve until January, 1905, at which time occurred the raid on Malabon, followed by the reconcentration policy of the government. In addition to reconcentration the government, which had completed the purchase of the friar lands, began to lease them to the people. This had the effect of doing away with the land tax, on which the schools depend for support, since the land belonged to the insular government and not to the people. Although the matter was presented to the government no help has been given, consequently in the 2 largest municipalities, where last year some 4,800 pupils were enrolled and some 50 teachers employed, there is at the present time no money to pay municipal teachers and there is a debt of some ₱3,000. That this condition of affairs is due to cause stated may be seen at a glance when the figures are quoted: Land tax, 1904, ₱12,000; land tax, 1905, ₱560.

Reconcentration has had two effects: First and most obvious, it has closed schools, since there were no pupils available; and second, the people have not paid their taxes when they have been reconcentrated, for the reason, as stated by them, that if they were not allowed to cultivate their lands and receive some revenue therefrom they can not pay taxes on that land. Instances of the effect of this may be seen when it is stated that ₱142.54 represent the amount of land tax collected in the municipality of Silang, where last November there were 1,298 pupils, 12 teachers; ₱324.45 is the amount collected in Indang, where last November 1,693 pupils were enrolled and 11 teachers employed. In other words, the amount collected in Indang is sufficient for about two months' salary.

This state of affairs necessitated economy and economical measures were at once instituted, but the full force of the falling blow was not seen until vacation had begun, when teachers were entitled to their vacation salary. The financial condition of affairs was reported to the general superintendent, who, when the insular government declined to give any aid, ordered the schools closed. This order was subsequently amended, and schools have been opened on a reduced scale wherever the finances permit. The change in conditions in this province may be seen when present statistics are compared with those of November last. November is taken, since in the month of October half the province was assembled in a normal institute, and December is the month of the rice harvest:

	November, 1904.	June 30, 1905.
Number of pupils enrolled.....	14,304	3,630
Number of pupils in average attendance.....	9,834	2,683
Number of municipal teachers.....	129	22
Number of insular teachers.....	30	26

To leave the present, however, and return to the school year ending March 31, 1905. As was said before, the year opened very auspiciously. The people were taking a great interest in the schools, the attendance was increasing daily, and almost every week saw a new school building finished and the pupils and teachers installed in rooms that were comfortable, commodious, and suitable.

In January, 1904, there were but 19 schoolhouses owned by the municipalities, the remainder of the schools were housed in rented buildings, in convents, and municipal buildings. At the present time school is held in but 1 rented building and before long that one will not be wanted.

The buildings erected might be divided into three classes:

1. One and two room buildings with earth floor, bamboo latticework walls, frame of timber, roof of nipa or cogon. These are barrio school buildings.
2. Two and three room buildings; board floor raised 3 feet from the ground; hard-wood frame; walls—board 3 feet and then bamboo latticework; roof nipa or cogon.
3. Four to six room frame buildings, board floor, raised 3 feet; roof, nipa or iron.

The majority of buildings (46) belong to class 1. The second (12), and third (9) class buildings are fewer, cost more, and have been placed in towns or in large and important barrios, where large and successful schools have been carried on under adverse conditions in church buildings, rented houses, and so on.

In a large number of cases the buildings have been erected on municipal land; in some cases the land was bought by the municipality, in others the people subscribed and paid for the land. In the majority of cases the schools in the barrios have been placed on sites given by some person of the barrio who agreed to allow land to be used that way as long as the school remained there. Efforts have been made and are being continued to have sites deeded to municipalities; and since the land in a number of municipalities belongs to the friar estates, and consequently, to the insular government, that body has been petitioned to reserve sites for all schools within the boundaries of the estates.

The site of the intermediate school at Indang has been in part purchased by the municipality and in part donated by a large landowner of that neighborhood. The site comprises some 8 acres.

Nearly every school in the division has done something toward beautifying its grounds. A number have built fences around the school grounds and put gravel walks from the gates to the entrance. Many have planted trees, shrubs, and plants, and it is expected that permanent improvements will mark the grounds of every school before the end of this rainy season.

The following estimate of value of contributions has been made: Land, ₱1,200; labor ₱500; materials, ₱800; money, ₱500; total, ₱3,000.

FURNITURE.

Little attempt has been made to furnish the barrio schools, beyond bamboo benches and tables for the children and bamboo or other table for the teacher. In nearly every town school at the present time there are desks for the children and chairs and tables for the teachers. One thousand four hundred and fifteen double desks have been made or bought during the last year for the schools of this division, at a cost of about ₱4,000. It can now be said that pupils in the schools sit on benches and write on desks; a statement that could not be made a year ago, when the usual thing was to find the pupil sitting on the floor.

PUPILS.

All classes of children come to the public school in the barrios; it might be said that all children come to school. The private school is no longer a rival, but rather if anything a helper in taking care of those children whom the public school can not accommodate. Many of the private schools are seeing the need of having good teachers, since otherwise they can not hold their pupils. An instance of this is the case of a parish priest coming to the division superintendent for a teacher for his private school. He wanted a good teacher and was willing to pay a good salary. He got what he wanted, since by having one of our trained teachers his school will help in the education of the people.

In this division the schools have been graded for more than a year, and since its issue the "courses of instruction," as prescribed by the general superintendent of education, has been followed. English is taught in every school, and the number who successfully completed the primary course was large, but would have been much larger if tranquillity had continued until the close of the year.

FILIPINO TEACHERS.

The average salary of the male municipal teachers is ₱26.25, while the females receive ₱21.50, giving an average of ₱23.87 for municipal teachers.

An examination was given at the close of the year and the teachers graded according to the "courses of study." The result was that 25 teachers passed the examination for entrance to sixth-grade work, 55 qualified for entrance to grade five, 37 for grade four, and 8 fell below.

The teachers are almost all young, and generally have been trained by American teachers, but few having taught in Spanish time.

AMERICAN TEACHERS.

During the year there were 22 American teachers in this division; this number has been reduced to 16 at the present time, and of this number 4 are temporary teachers.

Almost without exception the work of the American teacher has been excellent—each one interested in his work and earnestly endeavoring to give the Filipino of his best. The 8 teachers lost from the province had taught four years in the Philippines, and most of that time in Cavite Province, so that their loss is felt, and will be until the new teachers become acquainted with the people and their work.

FINANCES.

The finances for the calendar year 1904 were in good condition, the provincial treasurer had prepared to take up the land tax by February, 1905, and matters seemed prosperous until reconcentration was enforced.

The finances of each municipality, as far as the expending of the school fund is concerned, are in the hands of the division superintendent, and it is not too much to say that not one peso was misspent, or used for any purpose without his consent. The hearty cooperation of the provincial treasurer renders the matter of keeping accounts straight very easy.

NORMAL INSTITUTE.

Two normal institutes were held during the past year; one in October for the hill towns, where the rice harvest comes in that month, and one for the lowlands in January, during the rice harvest of that region.

The report of the principal of the January institute is appended, in part:

The normal institute held in Santa Cruz, Cavite, P. I., opened on January 3, 1905, and continued until February 3, 1905. In spite of two serious drawbacks the institute was the most successful yet held in the province. One of the causes working against the best interests of the normal was the fact that the absconding treasurer of Imus had left that municipality without school funds, and consequently had left the teachers of that municipality in the same condition, with the result that the attendance at the normal was lessened. Another cause that worked against the institute was the fact of the raid upon San Francisco de Malabón, the nearest pueblo to Santa Cruz. This so frightened the American ladies who were teaching at the institute that they left. Several of the pupils, not braver than their teachers, also left for their homes through fear. All the men who were teaching remained at their post and carried on the work, much to their credit, until after the arrival of the troops in town. Several things favored the success of the institute. Heretofore, the institutes of Cavite Province have been held during the month of April or May, the vacation period, and the hottest part of the year. This year the institute was

held in January, the coolest and most delightful time of the year. Great credit is due department in making the institute work an integral part of the teachers' work each year. The perfect harmony that existed between the teachers in regard to normal work also contributed largely to carrying on the work successfully.

Statistics.

	Male.	Female.	Total.
Enrolled.....	86	35	121
Average number belonging.....	83	34	117
Average attendance.....	81	32	113
Percentage of attendance.....	98	95	97
Number of American teachers.....	6	1	7

Opening exercises.—An attempt was made to make the opening exercises more of a feature than during former institutes. The attempt was not an unqualified success, yet was an improvement over former years.

The exercises consisted of speeches by the division superintendent and instructors in the institute and special musical exercises under Mrs. Dunster. Each class had charge of the exercises for one morning, and, except that they showed lack of thorough preparation, their attempts were very creditable.

Agriculture.—One of the features new to institutes in this province was a class in agriculture. The course consisted largely in instruction in the methods of laying out school gardens with methods of caring for plants. The pupils, seeming to realize the great importance of the subjects, were intensely interested. As agriculture is the foundation of progress and prosperity in the islands, it seems of the utmost importance that it should be taught in the schools.

Music.—The institute was fortunate in securing for some days the services of Mrs. Dunster, the supervisor of music for the archipelago. The classes were instructed by her in both subject-matter and method, and made wonderful improvement, considering the limited time that Mrs. Dunster had to devote to them. One feature of Mrs. Dunster's work, which it is to be hoped may be developed in other branches as well as in music, was the outlining of the work of music to the supervising teachers. She gave them a distinct idea of what it was desired should be taught in music, thus enabling them to see that the native teachers are carrying out their work.

Industrial work.—The course in handiwork consisted of instruction in the uses of a few simple tools, and ended with directions for making a school desk. This was for the men. The women were given instruction in domestic science. This consisted in part of the method of cooking a few simple dishes, care of kitchen, utensils, house, and clothing, due emphasis being placed on sanitary features. The handiwork and domestic science were given to classes I and II.

Physical work.—Military drill was given to the males of all classes, and was liked by most of the pupils. Female pupils were given physical exercises.

Suggestions.—I suggest that the division superintendent request from the department a blank form for reporting the statistics of normal institutes. The advantages of the blank form would be to give uniform statistics throughout the islands regarding normal institutes, to assure all required information, and to save much time that could be devoted more profitably to other school work.

Normal institutes for American teachers.—I am assured that the consensus of opinion among the American teachers is that they are at a great disadvantage in teaching, if not incapable of teaching subjects that for the most part are taught by specialists in the United States, namely, music, drawing, handiwork, domestic science, sewing, agriculture, etc. The American teachers feel that if they are to teach successfully these special branches, or direct successfully the teaching of them, they must have special instruction themselves. Such instruction is given in the various States, where there is a uniform system throughout the State, and where most of the teachers are prepared before entering their profession for the work of that system. How much more, then, do the teachers in these islands, who come from all States and have preparation as varied as their places of residence, need instruction. I am informed that an institute is to be held for American teachers during the coming vacation. This is a most commendable step, but it does not go far enough, for many of the best instructors in these special subjects, as well as those needing the instruction, will always be away during vacation periods. Besides, for the best results, and especially where uniformity is required, all teachers should be in attendance, and this is not possible during vacation periods. I propose that in addition to any normal institute or "summer school"

there may be also held normal institutes for American teachers for one or two weeks each year at several accessible places during the month of September. I choose this time because, as the present school year is divided, the schools are divided in session without vacation from the middle of June to Christmas, a period of about twenty-seven weeks, a longer one than I am aware of existing anywhere in the States. What is too long a session in the States is clearly too long a session in the Tropics. Practical experience has proved that pupils and teachers become tired long before the end of this long session, and the work drags.

As instructors in the institute there should be secured the best specialists available; these should also be thoroughly familiar with the plans of the department in their special lines. Attendance of teachers should be obligatory where transportation can be secured to and from place of holding institute without unreasonable loss of time.

NIGHT SCHOOLS.

Night schools were very successful in this province. In the month of November there were 15 schools, with an enrollment of 976 and an average attendance of 735. In addition to these schools a large number of private classes were organized, the teacher being paid by the class. This is most encouraging, since if the older and more influential people are interested enough in learning English to pay for instruction they will undoubtedly influence the children to attend school and get this advantage while young free of cost.

At the present there are many inquiries about these schools, and most certainly if English is to be the official language in 1906 the adults should be given an opportunity to make themselves proficient in that language.

THE PROVINCE SCHOOL.

The following is an excerpt from the report submitted by the principal of the provincial school:

The course in teaching.—There are 6 pupils enrolled—4 boys and 2 girls—1 girl from the second year, high school, and the rest from the first year.

One period a day is given to methods. It is planned to take up methods in arithmetic, in geography, and methods in English this year, giving one-third of the year to each. Lessons are given before the class by the pupils, using a class from the primary school. In August each pupil will be assigned a class in the primary school for one period a day. The pupils are much interested in the work. It ought to produce good results.

The course in commerce.—There are 6 pupils, 1 from the second year of the high school. The lack of text-books in geography makes the progress slow. No typewriters have been supplied, which puts us behind. The pupils like this course. It has made a good start.

The course in arts and trades.—Two boys manifested their desire to become engineers, but only 1 elected this course. His father is a master carpenter in the arsenal. No special students presented themselves, although I endeavored to get some. The course is carried out according to the plan of the general superintendent, except that no ironwork is offered. I hope to have 3 more pupils from the first year this week.

The pupils of the intermediate school follow the industrial work laid down in the course except that we have not established a school garden as yet, no land at present being available. Instead of gardening, the boys have shopwork. One hundred and fifty boys have it, most of them twice a week. They are at present planing, having had practice in measuring and sawing. By the end of the year they will have learned to use the tools in wood-work.

In November, 1904, a boys' dormitory was established. We now have 27 boys—all we can accommodate. The charge is ₱16 a month, which includes washing. They have physical exercise daily and study five hours a day outside of school. Both parents and boys seem satisfied. This year a girls' dormitory was begun, which has 7 inmates.

Last year a baseball team was organized. Suits were bought and a number of games played with other schools. This year we plan to form a league and play a schedule of games. Mr. Leonardo Osorio, a prominent citizen, has offered a silver cup as a prize to the winning team. The enthusiasm for this sport grows. We plan also this year to organize a track team and hold a meet with schools near by.

Two literary societies are in the process of formation for parliamentary practice and debating.

The following statistics of attendance may be of interest:

	Enroll- ment.	Attend- ance.		Enroll- ment.	Attend- ance.
March, 1903:			November, 1904:		
Day school.....	3,240	2,358	Day school.....	13,149	8,937
Night school.....	256	190	Night school.....	976	735
Teachers' class.....	58	54	Teachers' class.....	179	162
Total.....	3,454	2,602	Total.....	14,304	9,834
March, 1904:			March, 1905:		
Day school.....	6,971	5,035	Day school.....	13,249	7,778
Night school.....	658	506	Night school.....		
Teachers' class.....	110	103	Teachers' class.....	161	146
Total.....	7,739	5,644	Total.....	13,410	7,964

That the March enrollment and attendance are less than that of November is due to reconcentration and the closing of night schools.

According to requirements, this province needs only 7,487 pupils in attendance. This number has been exceeded throughout the year. The number of primary teachers to correspond is placed at 125 for the province, while in November there were 129 municipal teachers in addition to insular teachers.

BUILDINGS.

Serviceable buildings of Spanish construction.....	5
Buildings constructed under American rule prior to June, 1904.....	24
Buildings constructed under American rule since June, 1904.....	38
Total buildings owned by municipalities.....	67

DIVISION OF CEBÚ.

Mr. Samuel MacClintock, the division superintendent of schools for this province, was in charge of the schools until March 8, 1905, when he took leave of absence to visit the United States. Mr. J. Frank Daniel was appointed to the acting superintendency, but he found it necessary to present his resignation and return to the United States on June 10, 1905. Since that date, pending the return of Mr. MacClintock, Mr. John V. Barrow has served as acting division superintendent, and renders the annual report of his division.

The population of Cebú far exceeds that of any other province of the archipelago. Although the island is not of great area, its irregular topography renders many of the towns practically inaccessible except by boat. A considerable number of these towns are not touched regularly by either government or commercial vessels, and the consequent difficulty of communication between the capital and interior pueblos makes the task of school organization a very serious one. American teachers at isolated stations are for weeks at a time cut off from outside sources of supplies and from communication with their official superiors. The comparative poverty of a large portion of the population increases the difficulty of the situation. Industrial conditions have been particularly unfortunate during the past year, when the long droughts have removed their customary means of support from the agricultural communities.

In Cebú, if anywhere, the bureau of education must organize industrial instruction in the public schools. To this end much emphasis has been put upon the trade school, now well established as a department of the provincial high school. Steps have been taken to establish similar departments, though on a smaller scale, in connection with the intermediate schools at Carcar and Argao. In each of the four other intermediate schools of the province a phase of special training is to be introduced which will have a direct bearing upon the economic condition of the communities in which those schools are located. Agricultural instruction is to be offered at Barili and Danao, fish culture is to receive special attention at Bogo, and the intermediate school at Balamban will put first emphasis upon its normal department for the development of native teachers.

The number of native teachers employed during the year and the amount expended for their salaries is as follows: Number of teachers, men, 158; women, 98; total, 255. Average salary, men, ₱11.97; women, ₱11.05; average, ₱11.51. Amount expended for salaries, men, ₱22,537.12; women, ₱12,994.80; total, ₱35,531.92.

The pueblos of Borbón and San Remigio had no school because of paucity of funds. The latter is soon to be incorporated with Bogo, and a school will be established there this year. The pueblo is not especially enthusiastic over schools or anything American. Borbon funds should be held until a suitable teacher be found to make the work effective.

Use was made of the aspirantes in many cases in aiding teachers. The February report shows 29 aspirantes doing actual teaching. Four of them were paid a nominal salary only. The pueblo of Opon made especially good use of them. In a number of pueblos the aspirantes were paid by private subscription. The pueblo of Ginatilan practically supported its mountain barrios in this manner.

Some very valuable desks were built by the municipality of Cebú last year at a cost of 8 or 9 pesos each. The plans were submitted by the manual training teacher and carried into effect by the municipal treasurer. The desks will seat three or four pupils and are strong and well adapted to use in our schools. Following the same plan with modifications in two or three respects, we are this year able to add thus far 60 new desks, at a cost of ₱550. They are made from a superior grade of native hard wood. They are put together with screws instead of nails. They will stand the general wear and tear of school use for years. A much cheaper desk, however, must be designed for many outside pueblos.

The municipality of Cebú is building from the general fund a very commodious and fine school building in the barrio of Mabolo. The plans of this building were drawn up by Mr. Friedman, and are being carried out by the municipal treasurer. We are already using the downstairs for school. The building will be entirely finished in about a month. The cost is about ₱5,000. It will be as nearly ideal in construction and location as is possible. A large plot of ground is given entirely to the school. The building overlooks the sea on one side and presents a fine view of the mountainous hills on the other. A fine school spirit exists in the barrio. As soon as this building is finished, the municipality is ready to begin another house, as provided in the school fund (₱5,000). This is a move in an economical direction. The city of Cebú paid last year for rents alone about ₱5,000. This year the presupuesto provides for ₱4,000 for rents.

The high school is beginning work in gardening this year. The first question was that of land.

The provincial board was not disposed to give it. We began by using the small plot in the high-school yard. Then Mr. Curtis gave the use of his own yard. Following this I have been able, through the fiscal, Señor Osmeña, and some other influential families, to get as much land (in two plots) as is needed at present.

It is given; not rented. The provincial board does not object. Later, if we can get the building for girls' work in no other way, I propose to have the boys of the school build a temporary shack. I feel sure that we can get the materials contributed. The work is progressing steadily and the general interest is increasing.

The central and intermediate schools of Argao publish a paper, *The Outlook*. This year finds them with their own printing press—donated to the schools. The interest is good, and has increased steadily since the founding of the paper last year.

School entertainments were a feature of the work in Cebú city last year. The primary schools realized the sum of \$114 gold, clear of all expenses, at their final entertainment. The admission fee was 10 cents Conant. The money was expended in the foundation of a Filipino teachers' library. We expect the books upon Mr. MacClintock's return.

Beginning with February 12, 1905, three summer institutes were conducted for a term of seven weeks. The places were Cebú, Argao, and Bogo. The enrollment was 1,019.

This has been an exceptional year in the beginning months of school. A severe famine has been in progress for about three months. In some districts relief is just now beginning to come. Corn is ripening, and we hope that permanent relief may come soon.

Thongs crowd about begging for something to eat. The supervising teachers deserve special commendation in such circumstances. Some of them buy wood from the poor to aid them. Two young men will have enough to last them years if the hunger continues longer. Another teacher, who does not wish to cultivate begging, finds work for them about his house or in the town. It is truly a time of hunger for the overpopulated island of Cebú.

THE OUTLOOK FOR THE PRESENT YEAR.

Teachers and proper districting will make the province of Cebú yield big returns. If a force of about 30 native insular teachers can be supplied this province, together with the regulation number of American teachers, every pueblo and barrio can be reached effectively.

DIVISION OF ILOCOS NORTE.

Mr. J. M. Kniseley resigned January 11, 1905, from the division superintendency of Ilocos Norte to return to the United States. He was succeeded by Mr. Guy Van Schaick, upon transfer from special duty in the office of the general superintendent.

The expenditures for school purposes, out of a fund of ₱34,599.69, were divided as follows: 84.5 per cent was given for salaries; 13.8 per cent for construction and repair of buildings and furniture; 1.7 per cent, incidentals and cartage.

The provincial government had already constructed a high school building, and has not been in a position to provide for more than the maintenance and furnishing of that building.

By far the larger part of the school funds has been spent for salaries. This will of necessity continue, as the salaries of teachers here are too low, and those towns which are fortunate enough to have had fair balances at the end of June have also very large salary lists.

The internal revenue promises to be of some aid, judging from the reports of the total receipts from this source. Both the land tax and the internal revenue, however, will hardly suffice to carry the schools as they should be.

The Congressional relief fund has been of great service not only for the buildings actually constructed, but by rendering it possible to relieve municipal funds of a part of the burden of school repairs.

During the year, or, better, since the close of the school year 1903-4, six brick school buildings erected in Spanish times have been roofed, floored, and repaired, while three more buildings (two-story brick) are now in process. One brick building, the central, of Paoyay, was fired by incendiaries in February, 1905. It has not as yet been repaired, owing to the difficulty of securing materials. During this period, also, 68 barrio school buildings have been erected. Some of these schools have been provided with bamboo furniture, and in others each parent has furnished wooden benches for his own children, but for the most part, while the buildings are adequate, furniture is lacking.

As to schools established, the progress in school building will fairly indicate it. In general, no barrio buildings have been constructed until after the attendance and the teacher have been guaranteed. Laoag proves an exception to this to an extent. Competition among the various consejales has led in some cases to the construction of school buildings when neither good attendance nor a teacher could be guaranteed. It is probable, however, that all such buildings may be duly provided with teachers and classes at the close of the present rains.

At present satisfactory buildings are constructed gratis by the residents of the barrios as fast as teachers can be supplied. The real check on such schools lies in the paucity of municipal funds.

The attitude of the municipalities in the matter of financial support to the schools has been very good. As a rule, during the past year, the general funds have been even more inadequate for current expenses than the school funds, owing probably to the fact that the school fund is more completely under the control of the division superintendent than is the general fund under that of the provincial treasurer. The municipality of Laoag diverted from its general fund ₱2,472.31 for the fiscal year just ended, and for the current calendar year has set aside its entire share of the land tax for school purposes.

In this province the reports for June and July are never true indices of the status of the schools. The storms begin almost simultaneously with the opening of the schools, and the flooded fields and rivers prevent thousands of children from attending school in those months. Rice is planted at this time, also, and adds to the difficulties of beginning the school year with a large enrollment.

The records of June, 1905, show an increase of enrollment over that of June, 1904, of 8,016, and an increase of attendance (in spite of the rains) of 6,032 pupils.

The enrollment and attendance for July have reached 13,430 and 9,431, respectively, and should steadily increase till the middle of November, the time of opening the institute for teachers. January will show a diminished attendance, which should recover and increase to the end of March.

The following table will show the fluctuation of attendance in certain months of last year. It should be noted, however, that the sudden decrease of attendance in March, 1905, was due to other than natural causes, and does not truly represent "March" status of the schools.

	Enrollment for year.	Current enrollment.	Attend- ance.
March, 1904.....	8,337	8,105	6,093
June, 1904.....	3,570	3,570	2,734
October, 1904.....	20,013	18,624	15,530
March, 1905.....	23,305	17,319	13,512
June, 1905.....	11,586	11,584	8,786
July, 1905.....	13,430	13,106	9,431

Laoag is a type of the persuasive method of insuring the attendance. For some months of that year one insular teacher was continually employed in canvassing the various districts of the town. In no case was attendance at school enforced and no fines were levied. The total enrollment of the schools of Laoag-San Nicolás was then brought up to 6,020 for the school year 1904-5 out of an estimated school population of 9,067.

It was deemed inadvisable during the past year to place American teachers in all towns. This on account of the insufficient number of teachers. Outside of the provincial school the total roll showed an average of 1,597 pupils per American teacher.

Four towns (Badoc, Batac-Banna, Dingras-Solsona, and Piddig) have placed schools within reach practically of all civilized school children of their jurisdiction, and the highest percentage out of reach of schools in towns under direct American supervision is found to be 13.8 in Bacarra-Vintar.

In the barrio school of Camañga, of Badoc, some twenty Tinguian children have been attending school. An increase in the school fund of Badoc, or relief through assignment of an additional Filipino insular teacher there, would make possible the establishment of schools in several Tinguian rancherías.

Ilocos Norte, through its provincial board, erected, in 1903, a high school building. This building, of wood and iron with bamboo partitions, cost about ₱ 5,500, and will seat comfortably 250 children. This building, however, proves very inadequate for the needs of the school. Two rooms of the government building are at present loaned for class rooms, but even this is not adequate for the maintenance or growth of the school.

Agriculture has been attempted in a small way in several towns of the province, but has not reached the point of scientific instruction. Tools have been recently received for working the soil, but vegetable seeds, those most in demand, have not been received in sufficient quantity. Land can be secured in many towns and barrios, and great desire is expressed for this sort of training.

The business of the province is agriculture rather than manufacture. With the exception of cotton spinning and weaving, and the making of gourd hats for personal use, all manufactured articles appear to be imported. Even the rough mats for the bales of tobacco, and sleeping mats of the Filipinos, are imported. Notwithstanding, it is believed that much may be done along the lines of industrial manufacture, provided a sufficient force of American teachers be maintained—teachers skilled along those lines.

Certainly carpenters, wheelwrights, and iron workers are badly needed here, and suitable instruction of this sort would meet a warm welcome.

DIVISION OF ILOCOS SUR AND ABRA.

Mr. W. W. Rodwell, division superintendent of Ilocos Sur and Abra, was on leave of absence in the United States from June 12 to October 3, 1901. The duties of his office were performed during his absence by Mr. P. S. O'Reilly. On June 21, 1905; Mr. Rodwell was transferred to the superintendency of Laguna, and Mr. Otho Atkin was given temporary charge of the schools of Ilocos Sur and Abra. Mr. Atkin renders the annual report which is quoted in part below:

I believe the tendency has been too strongly in favor of numbers in this division, thereby sacrificing quality for quantity. As a result of this there are many poor and poorly paid teachers; there are several schoolhouses which are not well adapted to their purpose, and nearly all are short of satisfactory equipment. On the other hand, the following facts may be taken as advantages of this tendency: There are schools in all organized municipalities, including the Tinguian towns, and in all of the important barrios, or 150 out of a total of 669. The public schools are accessible to about 82 per cent of the school population.

FINANCES.

A few of the towns were able to meet the financial obligations imposed upon them only with great difficulty, but the most of them pulled through the year with a creditable balance in their favor.

The financial question of the hour is: "How can we run the schools when the land tax is suspended?" Receipts from all sources, leaving out the land tax, would not be near enough to meet expenses. If the land tax is suspended only in case of the uncultivated lands, as has been suggested, the amount lost in this province would be insignificant, because most of the land, even on the mountain tops, is under cultivation. There seems to be no desire on the part of the people here to have the tax suspended. I am informed by the provincial treasurer that there has never been any land sold for taxes in this province.

SCHOOL BUILDINGS.

On the subject of school buildings, by far the most important work done during the year, was the completion of the new provincial high school. The ruins of an old Spanish building were used for the foundation. The concrete walls were repaired and rearranged so as to make a very suitable first story, consisting of four recitation rooms for laboratory purposes, a large boys' gymnasium, a somewhat smaller room for a girls' gymnasium, hat rooms, closets, etc.

The second story, which is beautifully finished in Oregon pine, has an assembly room with seating capacity for 500, eight recitation rooms, all of which are well adapted to school purposes from a hygienic standpoint, and a large office. Two stairways lead up from the first floor, one at each end.

This building is centrally and beautifully located. On one side are the government building and the town plaza, in front is the municipal presidencia, and on the other side, at a short distance, is the site on which is to be constructed the new trade school.

The provincial board has always been most liberal in its support of the provincial school. The cash cost of the new building was ₱22,540. The value of the walls and the labor done by provincial prisoners bring the present valuation up to ₱100,000. The board also dedicated another provincial building for school purposes. The former government building, situated on the plaza and near the high school, was fitted up for a girls' dormitory. There are accommodations for 24 occupants. The equipment furnished by the province is ample and excellent. The girls have an ideal home, and most of them seem to appreciate it. It is intended to make the dormitory answer the purpose of a model home, and classes in domestic science are to be introduced.

Another evidence of the liberality of the provincial board is the granting of the government building of Abra for the use of the former provincial high school, and their willingness to have the school continue as a provincial institution, deriving its support from the province.

All of the municipalities have their own schoolhouses except Vigan, Santa Cruz, and Santiago. In most of the towns extensive repairs have been made to school buildings during the last fiscal year. The most important work in this line was done in Cabugao. Materials were gotten from the abandoned military post in Salomague. New iron roofs were put on two central buildings, new partitions were put in, and many new benches were made. Mr. Hahn, the supervising teacher, sacrificed his vacation, much of his time when school was in session, and some money in order to see that the work was done properly and in time. He also superintended the work of repairs to the buildings in the adjoining town of Lapo.

Most of the barrio schools are housed in their own buildings, which were built and furnished by the people without expense to the school fund. Few of these are at all adapted to their purpose, and many of them are only shacks, but they will serve until more durable structures can be obtained.

COURSE OF STUDY.

All of the schools, except those for the Tinguians, have been graded in accordance with the prescribed course of study.

INDUSTRIAL WORK.

The various forms of industrial work long ago introduced in the schools of other divisions are unknown here. In two schools the teachers themselves have made benches. This is the nearest approach to industrial work that has been made.

The establishment of the trade school as a part of the provincial high school will stimulate this work throughout the province.

This is a rich agricultural section. I believe some work along agricultural lines could be undertaken with great advantage in our barrio schools. Many of them are in excellent locations for this kind of instruction. Maguey and indigo seem to be the two articles having the largest production. Weaving is an important industry among the women. There are several pottery establishments in different parts of the province. Of course the methods pursued in all of these industries are of the rudest kind. We could improve them considerably if we only knew how. I believe the American teacher should make a study of the industry peculiar to his community to the end that he may improve the methods now in use.

INTERMEDIATE SCHOOLS.

Schools for intermediate pupils have been established in Bangued, Candón, Santa María, and Vigan. Magsingal has a number of intermediate pupils and is trying to get a building for an intermediate school.

There are two classes doing secondary work in the provincial high school.

INSULAR AID.

No assistance has ever been given to this province, except in the way of insular appointments. None of the rice purchased with the appropriation from the Congressional relief fund was sent here. From the more recent appropriation for secondary school purposes the province will get ₱ 8,000 for the construction of a trade school.

This division has been more highly favored, perhaps, than others in the number of insular appointments secured. In addition to the 11 regular insular teachers, there are 32 special teachers for the province of Abra. The average monthly salary of these teachers is ₱ 11.87

THE TINGUIAN WORK.

The Tinguian schools in Abra are under the direction of an American supervising teacher, assisted by 16 special insular and 18 municipal teachers. There are 8 organized municipalities and numerous barrios and rancherias scattered over almost the entire territory of the province, which covers 1,171 square miles. To get over this territory is an enormous task for the supervising teacher, especially in view of the fact that there are no roads. The trails are rough and the rivers are swift and troublesome to a traveler. Still it is one of the most interesting features of the work in this division.

I may add that the supervising teacher for the Ilocano towns of Abra has as large a territory and the same difficulties to encounter as the Tinguian supervising teacher.

The enrollment for the year in the Tinguian schools was about 4,000.

FILIPINO TEACHERS.

The Filipino teachers as a class are not up to the standard of those with whom I have had to deal in the past. Many of them were maestros and maestras in the Spanish schools and can not adapt themselves to school conditions of to-day. Few of them can pass the examination for the completion of the primary course. There are some among them, however, who are decidedly capable and are doing excellent work, both as teachers and as organizers. Methods have been adopted for the present school year which will greatly improve the standing of those teachers who are to continue in the service.

NORMAL INSTITUTES.

Four regular institutes for native teachers were held during the year—one in Vigan for the teachers of the central part of the province; one in Candón for the teachers of the south; two in Bangued, one of which was for the teachers of the Ilocano towns, and the other for the Tinguian teachers. All of these institutes continued for a period of six weeks in November and December. They were largely attended and proved very helpful to the municipal teachers.

Vacation institutes were held in Santa Lucia, Bangued, and Santa Maria, and conducted by the American teachers. These were somewhat irregular in time and work. They were not organized to make the work of the regular normals consecutive, and consequently little was gained except in the way of practice and review.

THE PROSPECTS FOR THIS YEAR.

On the whole the prospects of this division for the next year are most encouraging. The people are eager for instruction. The American teachers are without exception exceedingly competent and well qualified, and are greatly interested in their work.

DIVISION OF ILOILO AND ANTIQUE.

Mr. John A. Gammill, who renders this report, has been in charge of the schools of the provinces of Iloilo and Antique, as acting division superintendent, from the beginning of the last school year to January 1, 1905, and since the latter date as division superintendent. This division, being one of the largest and most important in the archipelago, has been more liberally supplied with American teachers than other provinces. In the city of Iloilo the number of American teachers has been large enough to permit of the organization of an excellent system of primary, intermediate, and secondary instruction. The province of Antique, while legally attached to the province of Iloilo for school purposes, is difficult of access from the capital of the larger province, and has been placed under the jurisdiction of a head teacher, Mr. John D. De Huff, who acts for the division superintendent in the transaction of school business.

ENROLLMENT AND ATTENDANCE.

The schools opened in August, 1904, with attendance low and the outlook for a year's work very poor. The collection of the land taxes had been prorogued and was finally again postponed until January 31, 1905. Many towns were in arrears for teachers' salaries, and sound business policy seemed to require the discharging of many teachers and the making of a patient effort to keep the educational work strictly within the limits of our capacity to pay the bills. Accordingly, the barrio teachers were, in many cases, discharged, and the already small salaries of other municipal teachers cut, while every effort was made to maintain the quality of the instruction given throughout the division.

It was not until the latter part of January and February that any considerable improvement was observed in school finances and in school attendance. From January on till the close of the school in April a steady improvement was felt in our school interests generally. A good rice crop was harvested and the payment of the taxes exacted. The enrollment within the division reached 22,000 in April, the highest record as yet attained in this division, while the average daily attendance for the primary grades through those prosperous months reached nearly 90 per cent.

The report for the month of June in the new school year shows an enrollment of 15,405 in primary grades, percentage of attendance being 87; and 1,107 in intermediate or higher grades, making a total of 16,512 enrolled. The drop from 22,000 in April to 16,500 in June seems difficult to account for to the entire satisfaction of the division superintendent. There is some early rice planting in June in Antique Province and in the hill districts of Iloilo Province, and some allowance should be made for temporary loss of interest resulting from changes of station on the part of teachers, but the writer has no doubt that the failure to begin the school year with a greater attendance is due, in a measure, to the inertia characteristic of the Filipino people. An earnest effort is being made by the division superintendent and the supervising teachers to secure, early in the year, as great an enrollment as funds and equipment will justify, and to hold that enrollment to regular attendance throughout the year. In general, the attitude of the people toward the schools is all that could be desired, and with greatly improved finances the outlook for the new year is very hopeful.

The regularity of attendance among students of the higher grades is noteworthy. The principal of the Iloilo normal school reports that 95 per cent of last year's pupils who were eligible for readmission are already enrolled, and the percentage of attendance in the classes of that school frequently runs as high as 98 or even 100 per cent.

This increase of interest as the pupil advances seems to have a bearing upon the proposition of the general superintendent that three years of instruction will be enough to provide for the masses. It seems very likely, judging from our experience thus far, that the pupils who satisfactorily complete the three primary grades will, most of them, and not the few, demand that provision be made for their further education in the intermediate schools.

THE AMERICAN TEACHERS.

There are, at the present date, 44 American teachers in active service in this division. This number includes 6 temporary appointees, who are, most of them, considered as serving in the stead of the 5 teachers from this division who are now absent on leave in the United States. The number of our American teachers is to-day less than the usual allowance for this division during the past two years. During the greater part of the past year we have had 49 American teachers.

The present force is not considered sufficient to carry on the work here as it should be carried on. We have no teacher of pedagogy, and our teacher of music is not teaching music but is doing class-room service in the Iloilo Normal School instead. Besides, we have two large towns, Pototan and Cabatúan, with, respectively, 80 and 30 intermediate students, unsupplied with teachers for the intermediate grades, and we have two towns, León, 23,000 population, and Banate, 12,000 population, unsupplied with American or insular Filipino teachers and almost abandoned so far as their educational interests are concerned. These last two are both poor towns, in arrears for salaries, and it is felt that they should each be supplied with an insular Filipino supervising teacher and not an American. But we have not at present the Filipino teachers to give them. Owing to this fact and the bad state of the funds the schools of León have not yet been opened for the new year.

It is not believed possible, by reorganization alone, to economize in the force of American teachers and thus secure teachers for the four vacancies (music, pedagogy, Pototan and Cabatúan) that need to be filled at once. The appointment of a number of insular Filipino teachers would be of great help at this time.

There is at present but one American teacher in the division engaged in purely class work with pupils of lower than intermediate grades. This teacher has 70 third-grade pupils in the Antique provincial school. That province is poorly supplied with competent Filipino teachers, and it is felt to be impossible to supply this place with a native teacher at present.

Of the skill and energy and devotion to duty of the average supervising teacher a great deal might be said which is probably not necessary to say. The average supervisor works six days in the week and has his work on his mind every day in the week. Teachers come from distant barrios on Saturday morning for a half day, sometimes an entire day, of class work with the supervisor. Municipal teachers and aspirantes frequent his rooms and are his daily companions. Usually the entire pueblo looks up to him with respect. His example of energy and devotion to duty and of moral strength is of priceless value in a remote community where good order is hardly established.

We have in this division at least 16 American teachers who have given practically a full year of service here and are eligible for promotion, but who are still receiving salary at the rate of \$1,000 per annum. There being no opportunity to add to this by teaching night school, it seems highly desirable, in the interest of the service, that these teachers should be soon advanced to \$1,200 each.

THE FILIPINO TEACHERS.

This division has, at the present date, 13 insular Filipino teachers, which is less by 2 than the highest number of regular appointees serving during the past year. The diminution was caused by the death of one and the resignation of another. As this province of Iloilo has some 25 eligibles for appointment and Antique has 3 or 4 eligibles, it is hoped that a number of new appointments may be made soon, so that towns like León and Banate and Pandan and Patnongon may be placed in charge of insular teachers.

During the past year one of our insular teachers has acted in the capacity of supervisor in the town of Guimbal, with very fair success, while the central schools in four important interior towns have been under the independent management of insular Filipino teachers in the capacity of principal. These persons have, in each case, acquitted themselves well. They are good class teachers and are invariably successful in winning the support of the municipal officials and of the people, but they are not so able as is the American supervisor to keep their subordinate teachers in line, to instruct them in the teachers' class, to give them enthusiasm, to criticise them, and set them right. Nor are they so capable, of course, in attending to the many incidentals that mean so much in the total—the training in morals and manners, the oversight of health conditions, the adoption of original devices, the guarding of school funds, etc.

SCHOOL FINANCES.

The division of Iloilo and Antique has just passed through a hard year with respect to school finances. The collection of taxes was prorogued from May, 1904, to January 31, 1905, and many towns were in debt for teachers' salaries at the beginning of that long period of no collections. In the spring months the collections were enforced by the provincial treasurer, and, finally, in May and June, the first distribution of internal revenue was made, since which time the division has been getting upon its feet financially. The outlook for the coming school year is encouraging. The internal-revenue receipts, while not large, are enough to help considerably and come to the municipal school funds somewhat as a free benevolence in addition to usual revenues.

Along with this increase in school revenues has come better care in the expenditure of school moneys, in which matter there has always been some leakage. For the present status of this matter see letter appended at the end of this report.

I have to report that only one town, Iloilo, has voted any land tax in excess of the one-fourth of 1 per cent required by law. In this one case an additional one-eighth of 1 per cent was voted to provide funds to be used in the erection of an intermediate school building in Iloilo. Two towns (Pototan and Passi) voted to give the schools two-thirds of the internal revenue distributed to the said towns instead of the one-third required by law to be so disposed, and Cabatúan voted to the school fund one-half of the entire receipts from internal revenue.

As a general proposition it may be said that the towns are willing to support the schools, even if to do so requires economies in other municipal departments. The difficulty lies in getting property owners to pay their taxes, not in securing a fair and even generous share of the money when once collected. The writer does not believe that the land taxes are a real burden. The assessments are ridiculously low and the people always have money for gambling and for display far in excess of the trifling amounts levied as land taxes. But the practice of the prompt and vigorous collection of taxes has not yet grown up.

SCHOOL BUILDINGS AND GROUNDS.

The division of Iloilo and Antique has erected 26 new school buildings during the past year at a cost of ₱7,824.79 to the school funds and of about ₱4,383.57 in contributed labor and materials. Add to these amounts the expenses for repairs of buildings in the

sum of ₱1,472.02 from the school funds and about ₱800 from contributions and we have a total expense for construction and repairs of schoolhouses of ₱14,480.38. By far the greater number of the buildings have been bamboo and nipa houses for barrio schools, constructed in most cases by contributed labor and from contributed materials. There has been no school building constructed entirely of strong materials. The most noteworthy structures erected have been the buildings in Santa Barbara and Pototan, each calculated to hold 500 students and built wholly by contributions, and the three school buildings of Sara on which more than ₱1,400 of school funds have been expended. For further details as to school buildings reference is made to report on Form XI, recently submitted.

There is every evidence that the division is started in the way of constructing more school buildings and better ones. There is every prospect that the coming school year will show better results along this line. The city of Iloilo has now in the treasury ₱7,000 of school funds and ₱8,000 derived from other sources, which funds are destined to the construction of an intermediate school building.

The providing of our school with suitable sanitary toilets has not yet been accomplished with any degree of satisfaction. On the contrary, the fact is that there is scarcely one decent outhouse belonging to any school in the entire division. This is a matter that has been very difficult to attend to successfully, because of lack of intelligent public opinion upon this matter to back up the efforts of the superintendent and the supervising teachers. Even in the city of Iloilo it has been difficult or impossible to get the school toilets repaired or kept in sanitary condition. This is believed to be a matter of the greatest importance and involving the moral and physical welfare of the pupils. It is respectfully suggested that the general superintendent may perform a valuable service by procuring, for the division superintendents and teachers, expert information and directions for the construction of sanitary toilets.

With regard to the provision of suitable school grounds for play and gardening and other school uses there is, as yet, little or no statistical information available in this office. A circular letter was recently sent from this office calling upon supervising teachers to forward this information, but reports have not yet been received. Every schoolhouse that is built from school funds stands upon land belonging to the municipality and dedicated to school uses. Barrio schools that are built by subscription are sometimes turned over for school use with very little formality, but it is believed that in every case a deed may be procured. An effort is being made by this office to have every one of such houses formally deeded to the municipality for school use, together with a site that will be sufficient for probable future needs of that school. An effort is being made to have our barrio schools located carefully, in suitable places, and to have the transfer of the property complete before this office names a teacher. Two circulars have been sent out covering this subject during the year and it is believed that something more satisfactory may be reported by one year from this date.

A healthy interest in school gardening has been awakened, and a number of supervising teachers are now fencing plots and preparing for planting of vegetables and field products and of trees for beautifying of school grounds. This office has procured seeds from the bureau of agriculture for distribution to the teachers.

INDUSTRIAL WORK.

During the past year very little worthy the name of industrial education was accomplished in this division. Two of our schools have been making a feature of a sewing class for girls, and one class did a little work in whittling. But general observance of the directions of the courses of study with regard to whittling has not been possible on account of the lack of knives and of our inability to secure them in the Iloilo market or elsewhere.

The work recommended in school gardening seems to be in a fair way toward general observance during the coming school year. Supervising teachers are interested in the gardening work and are doubtless better qualified by experience to manage it than the other lines of industrial education recommended by the courses of study. Still an earnest effort is to be made during the coming year to introduce basket weaving, whittling, and other small industries wherever possible throughout the division. The reason for the backwardness of this division along the lines of industrial work seems to lie largely in the fact that this division received, as early as four years ago, a rather strong corps of American teachers, by whose efforts this division received a considerable impulse along the conservative educational lines so commonly pursued in the United States. The teaching of manual arts in the common schools is a new thing to most teachers, and, the start having been made along the old lines, it is difficult to change. The establishment of a trades school in Iloilo, where future native teachers may receive training in arts and crafts, will undoubtedly do much to meet our needs.

THE GRADING AND PROMOTION OF PUPILS.

On the last page of this report is a statement, by grades, of the pupils in attendance June 30, 1905, in this division. The grading of these pupils is believed to be fairly reliable. Since the examinations in March, 1905, the grading in the advanced classes is undoubtedly more trustworthy than is the case in the three lowest grades where, naturally, all must be left to the teachers' judgment, and often to the judgment of the native teacher. In intermediate classes in various schools pupils without certificates are sometimes admitted to membership (and in the case of the Iloilo intermediate school, a comparatively large number of such have been received), but always with the clear understanding that the reputation of the teacher and the pupil are at stake upon the fitness of the pupil to do the work of that grade and pass the examination at the end of the year. In the present undeveloped state of the school work here it is believed absolutely necessary to leave that amount of discretion in the hands of the supervising teacher; and this is believed to be authorized by circular of the general superintendent, No. 46, series 1905.

The writer is hearty in his approval of the sending out of examinations for promotion from the general office. It is hoped that the plan may be continued yearly. The examination questions submitted in March last and in June for reexamination have had the good result of bringing our teachers into line and securing better attention to the prescribed course of study.

Some hardship was experienced as a result of severe tests in studies for which textbooks had not been provided, or where the directions in the courses of study had been indefinite, and there has doubtless been a failure to hew to the line strictly in marking examination papers and in granting certificates; but it is believed that next year the examination will find teachers and pupils (and superintendents) ready to deal with the matter with better results all along the line. The writer believes that the standard by which a 70 per cent mark is required in every subject of the examination is a rather severe test—more severe than he can remember having seen applied in any grammar school in the United States. And he is inclined to think that one-half of the teacher's rating (which is usually based upon written tests occurring frequently during the year) should be combined with one-half of the final examination rating to make the pupil's standing for promotion.

Statement, by grades, in the division of Iloilo and Antique, June 30, 1905.

	Grade I.	Grade II.	Grade III.	Grade IV.	Grade V.	Grade VI.	Grade VII.
District No. 1.				420	217	72	44
Subdistrict No. 1.	418	707	564				
Subdistrict No. 2.	504	273	253				
Subdistrict No. 3.	272	219	121				
District No. 2.	246	140	94				
District No. 3.	970	344	137		19	6	
District No. 4.	994	123	46	11			
District No. 5.	315	341	70	12	13		
District No. 6.	495	349	80	48	32	17	
District No. 7.	363	164	51	5			
District No. 8.	145	289	142	49			
District No. 9.	73	93	54				
District No. 10.	404	190	35				
District No. 11.	175	128	142				
District No. 12.	202	183	84	8			
District No. 13.							
District No. 14.	491	45	59	19			
District No. 15.	272	172	61	23			
District No. 16.	930	98	31	5			
District No. 17.	141	42	57				
District No. 18.	39	27					
District No. 19.	312	109	53	21	30	36	
District No. 20.	270	185	75				
District No. 21.	75	58	27				
District No. 22.	171	41					
District No. 23.	93						
District No. 24.	140	77	36				
District No. 25.	140	68	18				
Total.	8,640	4,465	2,300	621	311	131	44

DIVISION OF LAGUNA.

A number of changes have occurred during the last school year in the superintendency of the division of Laguna. From the beginning of the school year until November 13, 1904, the division was in charge of Mr. W. E. Lutz, as superintendent. Mr. Lutz having resigned to return home, the schools were placed in charge of Mr. Robert H. Neely, as

acting division superintendent. On March 15, 1905, Mr. Neely was granted leave of absence to visit the United States, and Mr. Thaddeus H. Rhodes was made acting division superintendent of Laguna. On June 16, 1905, Mr. W. W. Rodwell was transferred from the division superintendency of Ilocos Sur and Abra to the division superintendency of Laguna.

Excerpts from Mr. Rodwell's report follow:

During the period covered by this report two different superintendents and two different acting division superintendents have been in charge of the work of the schools in this division. This fact, together with the number of changes in the personnel of the supervisors and in that of the other American teachers assigned to the province, has not been conducive to the continuous and well directed efforts so essential to successful school work. However, we think with all the changes the work of our schools will compare very favorably with that of the other provinces.

The attitude of the provincial officials toward the school work has been very encouraging and helpful. The municipal officials have with but very few exceptions been very anxious for the success of the schools. Lukewarmness and indifference to the needs of the schools on the part of any municipal officials have been so well handled by the provincial board that it is not overstating the situation to say the principal business of every municipality of the province is the conduct of the public schools. Only a few of the towns are paying more for police than for school-teachers, and in such places it is only because of emergency police.

The enrollment and attendance during the past year were not unusually large, being just about what the municipalities were able to supply with an adequate number of teachers and the insular government to furnish with books and other school supplies.

The enrollment and attendance of the provincial high school has gradually increased throughout the year. Many of the students of this province, especially from the southern and western part, went to Manila and entered the intermediate and high schools there. I am of the opinion that as our grades become more firmly established the department will have to require students to attend the schools of their own towns or provinces, until they shall have completed the courses furnished by their own town or provincial schools.

The figures for July 31, 1905, are somewhat misleading as to the prospects of this province for the school year now current. This is because of the fact that our normal institute was held from June 12 to July 21, thereby leaving for July only a week for actual school work. The first week was somewhat broken into by municipal officials who were late in getting houses and furniture in order and teachers who had only the Saturday and Sunday, July 22 and July 23, to go from Pagsanjan to their stations and get settled.

All the towns of this province have enough land tax to support the schools for this year, except Los Baños and Calamba. In all the towns land tax for three years and more was collected during 1904-5. As a result salaries were increased and rents raised to a point in many towns where the present expenditures exceed the actual annual land tax for schools. It will be the policy of the present division superintendent to get the total expenditures for salaries, rents, and incidentals well within actual annual incomes in order that something may be set aside each year for much needed furniture, repairs, and new buildings.

The land tax has been very well collected, except in Calamba, Biñan, Santa Rosa, and Nagcarlan. In the three first-mentioned towns it is a question of who owns the land—the occupants, the insular government, or the friar corporations. Therefore the people do not care to pay taxes until the question of ownership is settled.

The land tax, if all lands were properly taxed and the taxes collected, would support the schools of this province. If the land taxes are to be suspended and an equal amount of money is not provided by some act of the Commission for the school purposes, then our schools will be reduced to three or four teachers for the central schools, dependent upon a depleted general fund for small salaries.

The following is a list of the expenditures made by the province of Laguna for the year 1904-5 for the provincial school:

Rent, school building.....	P 1,200.00
Rent, piano.....	56.00
Salary, teacher of carpentry.....	600.00
Salary, teacher of sewing.....	480.00
Salary, janitors.....	240.00
Materials and supplies.....	691.00
Total.....	3,267.00
In addition to this the rent paid for the office of the division superintendent..	300.00
Total.....	3,567.00

The only industrial work worth mentioning that has been attempted in this province has been the carpentry and Sloyd work for the boys and the sewing work for the girls that have formed a part of the courses of the Laguna High School.

In almost all of our schools the present classes are graded according to the course of study sent out by the central office last year. A very few of our municipal teachers are unable to properly grade the pupils of the first three grades. This has already been done for them in nearly all schools by the supervisors. By the end of September this year all classes will be fairly graded.

Considering the opportunities afforded to the Philippine teachers in this province, and in the other provinces of which I have any knowledge, remarkable progress has been made in the last four years. With others I believe that more would have been accomplished by the school department during the period if all the time of the American and Filipino teachers had been given entirely to academic and normal work for at least all of the first year and also a large part of each succeeding year. I am very sure now that we are preparing children for the advanced grades faster than we are preparing teachers to teach those grades. This may seem like saying "that water will run up hill," but our experience shows that children learn new languages faster than their teachers. As the pupils get far enough to help themselves, they soon get ahead of the teachers who must spend a very large part of their time and energy with the beginning classes. I believe it would be better for all concerned if the primary teachers' classes could be done away with and the primary pupils be given five hours of school each day for seven months of the year and the teachers be given continuous academic and normal instruction for three months of the year. The great bulk of the real work of instruction must of necessity be given by native teachers. Almost every week I receive forceful complaints that teachers can not teach any more to the third-grade classes, and parents request that their children of the third grades be allowed to attend school where they can be under the direct teaching of an American teacher.

The schools of this province ought to graduate at least 1,000 pupils from the primary course this year. The question of sufficient intermediate schools will be one for the next year. The question of suitable and cheap dormitory and boarding facilities in connection with our provincial and intermediate schools is pressing us now and will become more acute as the pupils in the schools at present advance in the course of study.

DIVISION OF LA UNIÓN.

Mr. Charles A. Magee, division superintendent of schools for La Unión, left for the United States on April 2, 1905, Mr. W. R. Rosenkrans having assumed charge of the province as acting division superintendent. Mr. Rosenkrans renders this report:

Since the establishment of schools in the division of La Unión their growth has been continuous and permanent. School funds have increased and made it possible to supply each municipality in the division with municipal teachers and with fairly adequate school buildings.

Appropriations from municipal school funds during the school year 1904-5 reached the sum of ₱18,860.37, an increase of about ₱4,000 over the appropriations for the school year 1903-4.

Municipal school expenses by items for the school year 1904-5 were as follows:

Salaries of 148 municipal teachers	₱ 16,431.22
Rents of school buildings	518.87
School furniture	697.63
Miscellaneous	1,212.65
Construction	₱ 3,600.00
Total	22,460.37

Serious delays have been occasioned in some municipalities through the expenses approved being allowed to exceed the resources of the municipality, but through rules now laid down in the office of the division superintendent this condition will not be again allowed to exist. Large school debts existed in some municipalities at the beginning of the school year 1903-4 which can not be well shown in this report or accurately obtained from data available.

a Estimated funds derived from subscription.

The school debts now existing in the several towns of La Unión are as follows:

Aringay.....	₱1,400.00
Balacon.....	315.70
Bangar.....	541.68
Bauang.....	581.89
Namacpacan.....	406.74
Santo Tomás.....	82.80
Tubao.....	275.50
Total.....	3,604.31

No diversion of school funds is now allowed in the division of La Unión. This has been rendered impossible through the present arrangements by which all school expenses must be approved by the division superintendent of schools.

SCHOOL BUILDINGS.

The most serious difficulty to be overcome in the division of La Unión is the poor condition of many of its school buildings. School funds are so limited that in most towns it is impossible to construct substantial schoolhouses from the available resources of the municipalities. In some such towns temporary structures have been put up which are a continual source of trouble through repairs made necessary by weak construction.

New central school buildings are now in course of construction in the municipalities of Santo Tomás, Tubao, Agoó, and Bagnotan. Upon the completion of the work nine municipalities will possess serviceable central schoolhouses and three—Naguilman, Bauang, and Aringay—will be without school buildings.

The construction of barrio schools is being carried on in many of the towns of the division and it is the aim to have at least two well-constructed barrio schoolhouses for each municipality. In no town in this division are the sites of the barrio schools owned by the municipality.

CHARACTER OF INSTRUCTION GIVEN IN THE DIVISION.

The results obtained from the few years of American instruction in the province of La Unión are most flattering, but it is believed that results obtained can be still more improved.

The American supervising teacher during the past year was required to do so much clerical work and, in some cases, his district was so large that the time allowed him for attention to class instruction could not bring the best success. In general the ability of the municipal teachers does not yet admit of placing third-grade work in their charge.

The character of the work done by municipal teachers is improving, but very few have as yet passed through the preparatory stage for the profession of teaching.

PROVINCIAL SCHOOL.

One of the greatest needs of the division is a large, well-planned building and grounds for the provincial school.

There is no building appropriate for the purposes of the provincial school. The provincial board has kindly provided rooms in the provincial building, but they are insufficient for the large classes that attend the school. It was found necessary, therefore, to rent another building as an annex. The best one that could reasonably be obtained is about one-half kilometer from the provincial building, so that considerable time is lost by teachers in going from one part of the school to the other.

To provide for these needs the provincial board has selected a site for a new provincial school, comprising about 12½ acres near the town of San Fernando, and arrangements for the purchase of this land are nearly completed. These grounds are so diversified in nature that experimental work can be done in nearly all products of the Philippine Islands.

The enrollment of the provincial school remained nearly the same throughout the year, the average being 175 boys and 45 girls. In March at the close of school there were 171 boys and 49 girls in attendance. Of this number 71 boys and 34 girls were doing third-grade work.

During the past school year the most advanced class was doing sixth-grade work and the lowest third-grade work. It has been found necessary, on account of the lack of room and the scarcity of teachers, to bar all third-grade pupils and make the school accessible to intermediate and secondary pupils only. Much hardship resulted from this, inasmuch

as many adults who failed to pass the third grade were cast out and are now unwilling to enter the municipal schools. The large majority of these will undoubtedly cease studying.

The school is well provided with benches and chairs, the province having constructed a sufficient number of benches made of pine wood for the seating of the whole school. These benches were made to seat two pupils each.

The provincial board is especially to be commended for the assistance which it is always ready to lend to the school. The turning over of a part of the provincial building to the use of the school was a great sacrifice of comfort in the conducting of provincial affairs. The best people send their sons and daughters to the provincial school and follow the success of the school with great interest.

The financial aid received from the provincial government during the year was as follows:

Supplies.....	₱12. 00
Rents of buildings.....	547. 50
Furniture.....	410. 37
Construction.....	165. 65

Total.....	1, 135. 52
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The entire school is now organized into grades of pupils who are doing work thoroughly up to the grades as prescribed in Bulletin No. 7, courses of instruction. It would be difficult to secure a more enthusiastic and sincere corps of teachers than that in charge of the provincial school.

THE MUNICIPAL TEACHER.

The municipal teacher is improving and doing a better grade of work each year.

Teachers' training classes were conducted each school day during the year, and in addition to this work twelve weeks of normal institute work was accomplished. This work has raised the grade of knowledge of the teaching force until many of the municipal teachers are able to do fair work in Grades I and II and some teachers are now able to conduct classes in third-grade work with fair success. The greatest work to be accomplished by the supervising teacher must be for a time the class work in training the municipal teacher. A uniform course of study should be used throughout the archipelago which will, in time, make it possible to prescribe uniform examinations for teachers' certificates, and the provision of these certificates should be made obligatory before appointment to the duties of a teacher.

DIVISION OF LEYTE.

The following report on the development of the public schools in the province of Leyte covers the school year 1904-5 and the first two school months of the following year. The report is rendered by Mr. J. L. Fiske, who has been continuously in charge of his present division throughout the year, serving as acting division superintendent until January 1, 1905, when he was given permanent appointment.

When schools were first established in the island of Leyte there was much hesitancy on the part of the people in giving them proper support. This condition has been very generally outgrown, a better understanding between the people and the American supervising force having come about largely through the progressive and intelligent methods that have obtained in the conduct of school affairs during the year just past.

Industrial conditions are such in Leyte, the population being so largely agricultural and therefore so generally distributed, that there still remains a considerable percentage of the children of school age for whom no accessible schools have yet been established.

At the beginning of the calendar year 1904 there were in this school division properly organized schools under the supervision of American teachers in 7 of the 34 towns of the province. The American teachers, 18 in number, were grouped in the towns which had during the preceding three years developed into the school strongholds of the division. With the exception of 4, who were employed in the provincial high school, the chief attention of these teachers was devoted to primary instruction in the class room. Little attention had been given to extending the work and influence of these teachers beyond the town centers. The entire southern half of the island had only 1 American teacher.

A number of towns outside of those containing schools under the management of American teachers had schools controlled by native teachers in which English only was taught.

The majority of the remaining schools were poorly organized, and in many of these Spanish was being employed either wholly or in part. The number of municipal teachers serving at this time can not be determined, as there was no record of their appointment;

many of them were serving under appointment of the municipal councils and were poorly qualified for teaching English.

Some effort was made during the remainder of the year to increase the scope of the school work, with the result that at the close of the term (May 15) schools had been put in operation under American supervision in 13 towns. Seventy-two municipal teachers had been appointed and the number of American teachers increased to 23.

CONDITIONS AT OPENING OF YEAR.

The chief effort of the school force of this division during the past year has been directed toward establishing a uniform system of primary instruction. At the commencement of the year (August 18) 23 insular and 88 municipal teachers were employed, and 57 schools were started in the same 13 municipalities which had supervising teachers at the close of the preceding year. The number of schools increased during the year to 85, a gain of 50 per cent, while 10 more American teachers had been assigned to the division and 32 more municipal teachers were employed. (See Appendix J.) At the close of the year 25 towns were under the supervision of American teachers; in 5 of the remaining number the municipal teachers reported direct to the division superintendent, and in 4, 3 were not public schools. These 4 towns were Cabalian, Liloan, San Ricardo, and Batbatñon. In one of these, Liloan, a school had been held a few weeks during the year, leaving 3 towns which had no public school whatever. In all of these towns some funds were available for the payment of teachers, two of them had adequate housing accommodations, and the third built a schoolhouse during the year. The reason no schools could be established was lack of teachers, no qualified candidates being found in the towns themselves and none to be spared from other towns. The same reason made it impossible to open a school in the poblacion of San Isidro; two barrios of this town had schools. Some large barrios were without schools for the same reason, and others had no schools because of lack of funds or buildings.

Thirteen barrio schools were established in 1903-4. This number has been increased, as the number of young people qualified to teach has increased, and suitable school buildings were made available by construction or other means. In the year covered by this report there were 40 of these schools in operation, while the number of central schools advanced from 35 in 1903-4 to 45 in 1904-5.

DISTURBANCES BY LADRONISM.

During the year barrio work was temporarily interrupted in Jaro and Ormoc by movements of Pulajanés, but no trouble was experienced in any other portion of the division, and cases have been rare in which native teachers, for fear of these marauders, have been reluctant to assume duty in remote stations, while at no time has a single supervising teacher shown any hesitancy in performing his duties in the regions disturbed by the depredators. School work has been extended well out into this troubled region, and before the end of the current year it is expected that every barrio in this section will have a school. I believe that in time these schools will prove an efficient factor in stamping out ladronism.

SUPERVISING DISTRICTS.

During the year the division of the province into school districts has been completed. There are 26 of these districts, as the matter stood at the end of the year. It was expected that to each of these districts would be later assigned an American supervising teacher. These districts included from one to three towns; generally, however, only one large or two small municipalities formed a district. As the figures given above show, all of these districts were not provided with supervising teachers, 6 of these of lesser importance having received none. It is expected that in future, as the number of competent Filipino teachers increases, these districts will be made larger by joining those adjacent to each other. Already during the current school year three changes of this kind have been made and others are contemplated. Such increase of the territory of districts can only be made as facilities for carrying on the work increase. In the more recently opened districts the extent of territory covered by each supervising teacher will necessarily be small, until an adequate force of teaching assistants has been trained.

In connection with the work of the supervising teacher in these districts, the subject of transportation is perhaps the most perplexing one that confronts us at the present time. Transportation by ponies is most commonly employed, and ponies are scarce and charges for their hire high in nearly every district. In some sections bicycles are used to advantage, but bicycle hire is also high. Some teachers use their own wheels for supervising work,

but this incurs for them an expense which they should not be called upon to meet. Traveling in small boats and canoes is often disagreeable and dangerous, and should, I believe, be avoided when other means can be found.

The question of allowing a teacher some recompense for the use of his own bicycle or horse may well be raised, and the granting of such privileges would not only reduce transportation expenses for the government, but would also result in less perplexity on the part of the teachers, and increase the efficiency of their labors. Supervising travel causes them considerable hardships in many cases, and everything possible should be done to render this less arduous.

The total enrollment for the year 1903-4, was 9,629. In 1904-5, 13,176 were enrolled, a gain of nearly 100 per cent, the monthly enrollment for the last four months of the school year 1903-4 (the only months for which complete reports exist) averaged 8,500. The past year opened with 9,201 in August, 1904, and increased steadily every month of the year, reaching 15,369 in February, 1905. the average number enrolled for all the months of the school year being 12,460. This steady increase in enrollment was especially gratifying, as it was not due wholly to the establishment of new schools, but was continually growing each month in nearly all of them. In nearly every district this enrollment was increased month by month. The only notable exceptions were the towns of Palompon and Baybay, where the enrollment fell considerably toward the end of 1904, and in Hinunangan, which suffered the same decrease in January, 1905. The reason in each case appears to have been the employment of children in planting; this always depletes the schools at certain seasons. The most remarkable increase in enrollment was in Maasin, where the number sprang from 308 in December to 959 in January and 1,153 in February. The transformation of the attitude of the people of this town toward the public schools has been remarkable. In Carigara, a more gradual, but no less notable change has been effected during the year. Dulag had been one of the most negligent towns until January, when the town of Tolosa was added to the district and made the school center and residence of the supervising teacher, when the enrollment at once increased 50 per cent.

The town of Tacloban showed the highest proportional enrollment in the division, this having been in January 13 per cent of the entire population, or a little less than 60 per cent of the children of school age. Merida came next with an enrollment in February of 41 per cent of its estimated number of children of school age. Jaro followed with 39 per cent in August, and Palo with 3 per cent in February. The largest total monthly enrollment (15,369) constituted 4 per cent of the total population, or 19.7 per cent of the total school population, while the average monthly enrollment was 3.2 per cent of the total, or 16 per cent of the school population.

ATTENDANCE.

The increase in enrollment from month to month was more than matched by the growth of the attendance. This commenced at 6,172 in August and increased each month until it reached 12,855 in February, the average for all the months of the year being 9,512. The percentage of the average attendance to the total school population was 12.2 per cent, or a little more than one-third of that portion designated by the general superintendent as expected to be in school at any given time. In February, when the highest attendance was reached, we had 16.5 per cent, or a little less than one-half the desired number.

The percentage of attendance to the number belonging was for the year 85.57, and the percentage of average attendance to average enrollment was 76.3. These percentages seem to me very satisfactory, considering the poverty of the people, which too often takes the children from the schools to work in the fields; the insufficient supply of books and material for the pupils enrolled; and the fact that in very few cases was compulsion resorted to. A very commendable spirit of appreciation is connoted on the part of the people as a whole for the large voluntary enrollment and the fairly satisfactory ratio of attendance to enrollment.

In comparing the attendance in the public schools with the total school population, however, the results observed are not, at first sight, encouraging. The table in Appendix A-1 shows that of the one-third of the total estimated population of school age (25,928), only 12,855 were in regular attendance during the most successful month of the year. In February, 1905, when the highest attendance of the year was realized, there still remained, of this one-third desired, 13,093 who were not in the public schools.

INDUSTRIAL CONDITION.

This large figure may be partially explained by a consideration of the industrial conditions that obtain in this province. As elsewhere in the Philippines, agricultural pursuits predominate. There are few large landholders to be found here, but the land is divided into small tracts, and of one of these tracts nearly every family maintains possession. A great many of these farms are at considerable distance from any center of population, and the children of families residing in such locations are unable to attend any school. This condition must

exist for some years, as it is not expected that schools can be established in the near future outside of the main town and barrio centers. Again, a large portion of the people residing in the town centers have farms outside to which they make daily journeys for performing the necessary work. It is their custom quite generally to take the children along, partly because they wish their assistance, and partly because they have become habituated to this practice. There is no excuse for absence so commonly heard as "going to the country to get food." The general poverty of the people also tends in several ways to decrease the school attendance. I estimate that this condition, together with the industrial peculiarities outlined above, account for the absence from school of no less than 20 per cent of the children of school age. In this division, during the school year in question there was also a large percentage of school children for whom no school facilities could be provided. Four towns, as previously mentioned, were practically without schools, and no less than thirty-five barrios of importance. Considering enrollment alone, I make the following rough estimation: Yearly enrollment, 1904-5, 70 per cent; unable to attend school, distance, etc., 20 per cent; for whom no schools existed, 10 per cent.

Other scattered intermediate pupils to the number of 26 were enrolled among primary pupils or in teacher's classes, there being not enough in any town to warrant separate classes. The numbers being taught in each of the intermediate and primary grades may be found in a report of grades submitted, December. The distribution of the intermediate pupils and the respective numbers by grades is found in the report on intermediate pupils mailed July 27, 1905. At present, means for giving these pupils the intermediate instruction prescribed are nearly all available, with the exception of the work in manual training in domestic economy. Difficulty will be experienced next year owing to lack of teachers. Although several intermediate schools may be established in the more important towns, the time is soon coming when pupils of these grades will be found in nearly all of the towns. I would recommend, accordingly, a modification of the plan of intermediate instruction, which would provide for giving the more important intermediate courses in each town. Pupils who are able to leave home to pursue the more complete intermediate and secondary courses, may all be accommodated in the provincial high schools. This does not mean that complete intermediate instruction shall not be given in any intermediate schools, but would seek to make such provision that no pupil, who has completed the primary courses, should be unable to continue with the higher grades of study.

PROVINCIAL HIGH SCHOOL.

In this school were enrolled last year 114 pupils. Of this number 42 were in the sixth grade, 63 in grade four, and 9 below grade four. These latter were composed of students pensioned by towns under act 446, and children from places having no schools. This preparatory department has now been discontinued; a few pupils below grade four have been admitted as boarding pupils, who receive instruction in the Palo municipal schools.

The school is still located in the town of Palo in five rented buildings. A tract of land in Tacloban has been selected and surveyed, and terms agreed upon between the provincial board and the various owners of the tract. Final transfer of the property has not yet, however, been made. Plans for new school buildings have been prepared by the architect of the bureau of education and ₱20,000 of the funds for school buildings set aside by Act No. 1275 were requested. The former provincial treasurer of Leyte, Mr. W. S. Conrow, commenced the collection of a contributed building fund for the erection of these buildings, which has thus far amounted to ₱1,713.50. It is hoped that later in the year a sum from provincial funds can be added to this amount and that a portion, at least, of the ₱20,000 requested from insular funds may be secured.

During the last year, the total cost of this school to the province has been ₱2,038. This sum included the running expenses for rent, and salaries of proctor, matron, cook, and janitor.

SCHOOL RESOURCES.

The amount of municipal school funds available for the calendar year 1905 was estimated to be ₱45,222.25. The total resources which have been actually available during the fiscal year 1904-5 were ₱48,330.55 Philippine currency and ₱1,136.62 Mexican. Of this sum ₱11,605 were secured by private subscriptions, leaving ₱36,725.55 Philippine currency and ₱1,136.62 Mexican, actually available from municipal sources.

The last year closed with ₱8,400 on hand of school funds and practically no unpaid obligations.

The total municipal expenditures for the past fiscal year were ₱40,830. The figures are in many cases estimated, as reports covering all the points in question are not yet at hand. The figures given are, however, approximately correct, and, as such, will serve the purposes of this report.

The total amounts expended in 1904-5 from municipal, provincial, and insular sources were practically as follows:

Total municipal expenditures.....	P 40, 830
Total provincial expenditures.....	2, 038
Insular expenses:	
Division superintendent and American teachers, salary.....	60, 072
Transportation.....	2, 250
Books and supplies.....	5, 800
Share expense of general office.....	4, 900
Total expenditures.....	115, 890

This total for public instruction shows the cost per capita of population to have been 29.9 centavos, the cost for each child of school age to be ₱1.361, and the cost for each child in daily attendance throughout the year, ₱12.18. Comparing these figures with the results reported for schools in the United States for the year 1900-1901, where the cost of education per capita of total population was \$2.93 United States currency, we find the cost to have been about twenty times as much in the States. In Colorado, where the rate ran the highest, it was \$5.02, or thirty-three times the rate for this province, and in North Carolina, where the lowest rate was realized, it amounted to only \$0.60, or four times what was expended here.

Again, comparing the cost per pupil in regular attendance with that reported for the year 1901-2 in the island of Porto Rico, we find that the expense of giving a child education for one year in this province was only 43 per cent of the amount (\$14.12) in that island.

It would be interesting and instructive to compare figures obtained here with the cost of public instruction in other oriental countries and colonies, but no figures are at hand for this purpose. The results of the comparisons made above, however, give encouraging indications of future possibilities in educational work here.

GRADING OF SCHOOLS.

The process of grading the pupils of the public schools of the division in accordance with the prescribed course of study was commenced in September, 1904, and by the 1st of December, when a report on the number of pupils in each grade was submitted, had been roughly completed. This task of grading and regrading, however, was continued throughout the year, and even at its close there were a few outlying schools in which all pupils were not satisfactorily placed. The proper arrangement of these was made one of the first tasks of the current school year and a start has been made this year to have even work done in all the towns and the proper books employed in each grade, so that comparable work may be done throughout the division. At the same time more thorough work is being required in completing each advance step.

The application of the prescribed outline of study has shown that the portions dealing with English and geography can be satisfactorily completed in the time allowed, but that it is exceedingly difficult to cover the work mapped out in mathematics. The results of the examination in arithmetic for promotion to the secondary grades brought this fact out very clearly. The percentages made in the branch in question were uniformly very low by a class which has done continuous and faithful work, and it is believed that nearly another full year is needed to satisfactorily cover the work laid out. It is thought that this course may well be limited to certain subjects to be studied to the exclusion of other sections of lesser importance, or else that the work in arithmetic be continued during one year of the necessary course. It would also seem best to give the prescribed work in some of the studies more clearly defined limits. This remark would apply, for example, to the course in civil government in the sixth grade.

The first secondary class for this division graduated last year. This consisted of 5 girls and 10 boys. Some of these have expressed a wish to become teachers and others desire to enter other branches of government service or mercantile pursuits. Owing to the small size of the class, only one secondary course can be given this current year, and this will be the course in teaching which was decided upon as the most necessary field to prepare for at the present time. Of the number who qualified for entrance in the secondary course, all but one have entered school this year. The whereabouts of the absentee are unknown at the present time.

The percentage of these pupils is noted in my report on intermediate pupils. They are nearly all from families of the middle class, of recognized good standing in their communities. Without exception the deportment and general character of these pupils while connected with our school have been good.

INDUSTRIAL TRAINING.

As was before mentioned, the completion of the organization and the extension of the system of primary schools has been the chief in the division during the past year. It

has been impossible to devote much time to organized industrial work. Thus far no wood or iron working equipment has been furnished to this division, either in the provincial or intermediate schools.

Sewing classes were organized in the provincial high school last year and some excellent work in plain sewing was done; also in the intermediate and third-grade classes of the Tacloban, Palo, and Tanauan schools some very creditable work in sewing and embroidery was shown.

The boys of the third grade in Tacloban did some individual work in their homes with the meager wood-working tools they could secure, producing many interesting models of farm and household implements, boats, fish traps, etc. This was done under the direction of the class teacher. In Palo, while work of the same nature was done in the boys' homes, it took the form of class exercises under the direction of the supervising teacher. The work was uniform for a class, and some really useful articles for the schoolhouse were produced. It is hoped that more can be done in this way during the current school year. It is not out of place here to mention that organized manual-training work is now in progress in the intermediate and third-grade classes of Tanauan, where under the direction of Mr. Fisher, the supervising teacher, and where the aid of one carpenter, the boys have turned out 72 somewhat rough but serviceable combined desks and benches.

A garden was prepared and planted by the boys of the provincial high school last year on land given for this use from the Church Plaza. Scarcely any of the seeds obtainable could be made to grow, and the work, consequently, was not successful. A few tools were available, these having been issued from the supervisor's office. This year a supply of tools has been issued to this division by the bureau of education, and all intermediate classes are beginning this work. A number of primary schools are also preparing gardens. Seeds for these schools have been secured from the bureau of agriculture and distributed to them.

Agriculture being the most important industry of the province, it would seem advisable that more attention be given to it than to other branches of industrial effort.

While the introduction of industrial training is of special importance in the islands and should by all means be developed as fast as possible, it must be taken into consideration that this class of school work requires special means and equipment in the form of shop buildings, tracts of land, tools, and other appliances, as well as the creation and fostering of a comparatively new sentiment on the part of the people, all of which can not be acquired at once. While pupils usually accustom themselves to engaging in this sort of work with alacrity, this is not the case when it is commenced, and some prejudice against manual labor has to be overcome. It must be understood, furthermore, by those who would see industrial training given a place in the programme of all schools at once, that the primary school is the basis of any educational system and must be developed before any adjuncts can be introduced.

NIGHT SCHOOLS.

Eight night schools were allowed to this division, and this number was maintained during four of the six months during which these schools were allowed. In most instances a part or all of the municipal officials and clerks were enrolled as pupils, and it was among these that the call for night classes was loudest in towns having none. The proximity of the change of official language seemed to be the chief incentive. One class in Carigara was composed entirely of officials and their wives. Admission was restricted to applicants over 14 years of age who could not attend day schools, municipal and aspirante teacher, and monitor pupils. The work performed in these schools was in nearly every case the teaching of English. In several towns the supervising teachers, with the consent of the general superintendent of education, organized and taught private classes of officials, clerks, merchants, and others, but these classes did not usually continue more than a month or two in cases where a tuition fee was charged.

Experience has shown that pupils should be so employed for only a short time each day, and that the same pupils should be employed consecutively whenever possible. In general this is considered a practicable means of providing for divisions of pupils who can not receive the teacher's attention. A better plan, where possible, is to select the best pupils and give them regular appointments as temporary teachers, with a compensation, slight but sufficient to give them some incentive to work regularly, and also giving the employers grounds for requiring constant attention to study.

NUMBER OF PUPILS PER TEACHER.

In this connection should be noted the average number of pupils per teacher in daily attendance. This was in February, 1905, a little over 100, and this figure represents about the average during the year. A part of this attendance was provided for by the employment of monitor and aspirante teachers, as mentioned above, and by the classes instructed by the supervising teachers. There remained to each teacher, however, a num-

ber considerably in excess of the 60 prescribed by the general superintendent of education. Appendix A-1 shows that to provide for the one-third of the school population desired, we shall need 296 more municipal teachers. It is clear that this number can not be very nearly approached, and in order to maintain the average of 60 per teacher the classes of assistants mentioned above will still have to be employed in increasing numbers.

EFFICIENCY OF AMERICAN TEACHERS.

A word should be introduced here concerning the American teachers who have been employed in this division during the last school year. These were assigned as follows: Supervising teachers, 20; intermediate teachers, 6; teachers of mixed intermediate and primary classes, 3.

These have proven a most vigorous, enthusiastic, and self-sacrificing body of workers, the majority of them laboring regularly and without complaint far in excess of the time required of them. Their work has not been confined to the school interests of their respective districts, but in a number of different ways they have worked for the benefit of the communities to which their work has brought them. Most favorable remarks in regard to the general high character and qualifications of these teachers have frequently been made to me by persons outside the bureau of education, and that these estimations were merited has been abundantly proven by the results of their work in extending and bettering the school system in the division.

SCHOOL BUILDINGS.

The number of buildings available for the primary schools has increased considerably during the past year. There have been built 7 central and 18 barrio schoolhouses, 13 municipal government buildings have been given up wholly or in part for school purposes, 15 private buildings (convents, houses, etc.) have been in use without expense, and 7 private houses have been rented, making a total, with the number already in use at the beginning of the year, of 128 available buildings. Of these, 57 were in town centers and 71 in barrios. Three more central and 6 barrio schoolhouses are in process of construction at the time of preparing this report.

Some details of the new buildings constructed follow:

Hindang.—Here an excellent central building has been built, 50 by 40 feet, with iron roof and cement floor. The walls are made of the plaster on bamboo lathing, such as is employed to considerable extent in the province of Cebú. Every timber in the building is No. 1 molave. All labor, money, and materials used in its construction were contributed by private subscription. The cost was about ₱2,500.

Inopacan.—A new central building 60 by 50 feet has been built, also by private subscription, at a cost of ₱5,500, according to estimates furnished by the officials of the town. This building is built of molave and narra timber, with an iron roof, and is by far the best school building of the division. This is a small town of about 5,000 people, and the construction of this schoolhouse has been a remarkable achievement.

Mérida.—This town has built a central building, 50 by 35, fully adequate to the needs of the town. Sides and floor are of first-class lumber and roof of nipa. This building cost the municipality ₱655.97, this sum being derived from general funds. ₱496.42 were donated and labor to the value of ₱700.

A good barrio school building of solid materials was built in Montique, a barrio of Mérida. This house was very unfortunately burned after only a few days school had been held in it.

Naval.—Here a central building was built 40 by 30 feet. It was constructed of lumber, with the exception of the roof, which is of nipa. This cost the town about ₱500 of school fund, with contributed labor and material in addition.

Palo.—Here 3 excellent barrio schoolhouses have been built and 2 more are in process of construction. These buildings have board floors, wood and bamboo sides, and nipa roofs. The size of each is about 25 by 35 feet. These were built for the most part by the barrios, with some help from the town. The chief items in one of these building accounts are here given. This is for the building in the barrio of Malirong.

Donated by town:

Sixty boards	₱108.00
Food for laborers, nails and sundries	143.00
Total donated by town	251.00
Material donated by barrio	50.80
Labor donated by barrio	315.00

Total cost of building

616.80

The other 2 buildings were built in a similar manner.

San Ricardo.—This small town, which has not yet had a school, has built a building 30 by 24 feet of lumber walls and nipa roof. This house is fully adequate to the needs of the town.

Sogod.—This town has built 2 buildings. One a central schoolhouse, of lumber with nipa roof, 25 by 30 feet, with an addition 15 by 18. This is too small for the needs of the town. The other is in the barrio of Sogod Norte. This house is well built, of lumber with iron roof, and is about 30 feet square. These buildings were both built by contribution.

Tacloban.—This town has built during the year 5 barrio schoolhouses, chiefly by contributed labor and material. These are constructed similar to those already described in the town of Palo.

Tolosa.—One central school building has been constructed here, 23 by 40 feet, with cane walls and floor and nipa roof. This is inadequate and is being enlarged.

BUILDINGS IN CONSTRUCTION.

Buildings are at the present time in process of construction as follows:

Carigara.—A central building is being erected here by means of a building fund and contributed material. A company has been formed to take charge of the work of construction of the building and the collection and disbursement of the funds. This house is about 60 by 72, will consist of 2 stories and 8 rooms. This will be the largest building in the division and will, it is hoped, be finished ready for occupancy at the opening of the next school year.

Caybiran.—Combined school and municipal government building. The posts have been planted and an iron roof put in place for a building 54 by 45 feet. This will consist of 2 stories, the upper one to be used for school and the lower for office rooms. A large fund has already been subscribed and the construction is proceeding rapidly. The building will be ready for occupancy, it is expected, in October.

Hinunangan.—Here a building 20 by 40 is in process of construction. The posts are in place and the roof has been built. This will be the counterpart of the other central building near it.

Six barrio schoolhouses are at the present time being constructed.

The progress which has been made in the erection of creditable school buildings has been very satisfactory, considering the fact that no help whatever has come from provincial or insular funds, nor from the rice relief fund. Only an insignificant amount of the town school fund has been used for new buildings. Building has been accomplished chiefly by private contributions, about ₱11,000 having been in this way available during the past year.

In 11 towns of the province municipal government buildings have been devoted in whole or in part to school purposes.

In general the town officials have seemed to appreciate the growing necessities of the schools, and have been willing to give up their government buildings where there were no adequate schoolhouses, renting smaller office quarters in other houses.

INTERMEDIATE SCHOOLS.

Besides the provincial high school only two real intermediate schools were maintained during the past school year, these being in Tacloban and Tanauan. In February, 1905, the enrollment and location of intermediate pupils were as follows:

Provincial high school.....	98
Tacloban.....	52
Tanauan.....	25
Total.....	175

A fuller appreciation of the purposes of the public schools will of course decrease the tendency on the part of parents to keep their children out of school for work and minor reasons. An interesting case of this encouraging tendency to keep the children in school was noted during the past year in the town of Leyte, this division. This is a small, very much scattered town, having a small central poblacion, but through the influence of a progressive presidente, the children were not taken out on the farms to work, while many residing in the remote sections of the municipality were kept in the central school, the parents paying the cost of their maintenance in town. There were no barrio schools in this town, but the methods outlined above resulted in the enrollment of 25 per cent and the average attendance throughout the year of 19 per cent of the total school population.

INCREASE EXPECTED FOR 1905-6.

Other reasons for the small percentage of the school population which received instruction in the public schools are of course the insufficient number of teachers, funds, and school supplies. As soon as these means become adequate, there will have to be added, of course, a compulsory school-attendance system. I expect that, during the school year 1905-6, with more funds, more and better teachers, more suitable books, and a more enlightened public sentiment, the desired average attendance of one-third of the children of school age will be very nearly realized, deductions being made for the industrial conditions explained above.

Comparative figures touching upon the number of teachers employed have already been given. There remain some facts concerning the municipal teachers, aspirantes, and monitor pupils who have been employed during the past year to be noted.

CHANGE OF NATIVE TEACHING FORCE.

The transformation of the municipal teaching force into a body of young men and women (many of them mere boys and girls) who are wholly the production of the American school system has been very nearly effected. At the present date, August 8, 1905, only nine teachers are in the service who were teaching before September, 1901, and these are all efficient instructors. The average age of all the native teachers employed in the division is not far from 20 years. This low figure leads one to suspect that the youthfulness of this teaching body is not indicative of efficiency. That such is not the case, however, has been abundantly proven during the past year, during which the general efficiency of their work has increased no less than 100 per cent. This body of teachers is composed of alert and enthusiastic young men and women, who are daily gaining in efficiency.

During the past year strict rules have been put in force governing the service of municipal teachers of the division. Absences from duty for any cause have been punished by a corresponding deduction in pay. Vacation salary has been granted only in proportion to amount of service rendered during the regular session of school, and absence from the normal institute for Filipino teachers has resulted in retention of vacation pay and frequently in the dismissal of the delinquent. A system of daily time record is in practice in many of the districts. The result of this regulation has been almost universal promptness and regularity in attendance to duty, whereas in former years these virtues were the exception rather than the rule.

The average salary of these teachers has decreased from ₱20.42 in August, 1904, to ₱18.31 in February, 1905. Statistics compiled December 3, 1904, may be taken as the general average for the year. At this time the average salary for male teachers was ₱20.25, and for females ₱18.20, the total average being ₱19.44. This diminution of the average salary is due to the following reasons:

1. The deduction in salary and dismissal of the old-time teachers, who lacked in efficiency and who at the same time were receiving salaries higher than the average.

2. Appointment of young people at small salaries rather than employing monitor teachers. (See remarks elsewhere.)

3. Making appointments at slightly lower rates than formerly for the sake of being able to employ more teachers, often giving young people so employed the additional opportunities of attendance in intermediate classes and night school.

The grade of scholarship of these teachers is still rather discouragingly low. A reference to the report on intermediate pupils from this division submitted July 27, 1905, will show the standing of these teachers in accordance with prescribed grading of the pupils in the public schools. There appear the following figures:

Number in Grade VI.....	20
Number in Grade V.....	14
Number in Grade IV.....	15
Number below Grade IV.....	71

Few of this latter number would have been able to qualify in the examination for promotion from the primary courses given last March. It is extremely doubtful whether the passing of this examination can be made the minimum requirement for appointment at the opening of the school year 1906-7. There is no doubt, however, that the majority of these will have advanced to the fourth grade.

ASPIRANTES.

Only one teacher of this class was employed in August, 1905. The number increased to five during the year. In these few cases their services have been satisfactory. I am

very doubtful, however, about the possibility of introducing this system to any great extent.

The employment of monitor pupils as aspirante teachers seems more practicable. This has been tried to some extent in nearly every district, with varying measures of success. In Hinunangan, where it was given perhaps the most complete trial, Mr. Minton H. Johnson reports very encouragingly upon the results. Provincial high school pupils were so employed in the municipal school of Palo very successfully.

No very close estimate can be given upon the number of pupils so employed. It probably did not exceed 60 at any one time.

At the opening of the current school year a majority of the towns expressed their wish that they be allowed night schools this year.

PRIVATE SCHOOLS.

These usually take the form of small classes held in the house of the teacher, or convent schools conducted by the local priest. Insignificant classes of the former sort are to be found in nearly every town. Of the latter, only two large schools were maintained through the past year, one in Dagami, where 350 pupils were enrolled, and in Jaro, where the enrollment included about 400.

This year, under the direction of Bishop Hendricks, of this diocese, this latter class of schools is multiplying, additional ones having been opened in Palo, Malitbog, Alangalang, and Maasin. The largest of these is the school in Palo, which has had about 900 pupils enrolled, and is now installed in a new building built for it. This has greatly depleted the lower grades of the public schools of the town, but few pupils have been drawn from the upper grades, as is the case in other towns.

In these schools is taught the church doctrine and a little of the ordinary common school branches, usually in the Spanish language. Some attempt is made to teach English in a portion of these schools, the teachers usually being those who have become separated from the public school service. In some cases the teachers are regular members of the classes of native teachers conducted by the supervising teachers.

GENERAL REMARKS.

It may be said in general that school work has made very satisfactory progress throughout the division during the past year. This remark applies in a greater or less degree to every town in which schools have been in progress. A growing enthusiasm and appreciation of the value of primary and common school education has been noted throughout the province. In addition to this, an increasing desire for schools was evidenced in such barrios and towns as could not be supplied with schools during the year.

SUPPLEMENTARY REPORT FOR JUNE AND JULY, 1905.

Nothing very definite can be said as yet concerning the work of these two months. At a later date a supplement will be added to this report, giving detailed information in regard to these two months.

Reports of attendance for the month of June^a are not quite all in yet, but the enrollment can be pretty closely calculated. There will be no less than 10,300 enrolled, and the average attendance will be about 8,250. Thus far reports of attendance for July have been received from fourteen districts, and in the territory thus covered there is an increase in enrollment over the preceding month of 25 per cent, and 30 per cent increase in attendance.

It may be said, in general, that there is every prospect of a most successful year. The number of American teachers now assigned to this division will make it possible, with some enlargement of districts, to put every town under the supervision of one of these, and also furnish instruction for all of the intermediate classes. Increased funds, better qualified native teachers and more of them, and better school buildings will make a considerable extension and improvement of school work possible.

^a Later report shows enrollment and attendance for June to be 10,642 and 8,232.

APPENDIX A-1.

Table showing population by districts, the additional number of children who should be in attendance, and the additional number of municipal teachers needed.

District.	Town.	Total population.	School population.	One-third school population.	Attendance, February, 1905.	Additional attendance desired.	Number municipal teachers, February, 1905.	Additional number needed.
Tacloban	Tacloban	11,048	2,398	799	1,252	a 453	12	31
Palo	Palo	17,480	3,496	1,165	1,188	a 23	10	7
Tanauan	Tanauan	18,456	3,651	1,217	769	448	5	15
Dulag	Dulag	20,061	4,012	1,337	1,045	292	9	11
Abuyog	Abuyog	8,043	1,788	599	190	409	2	8
Hinunangan	Hinunangan	14,121	2,864	941	431	510	3	12
Caballan	Caballan	14,819	2,963	987	60	927	1	16
Sogod	Sogod	8,097	1,739	579	348	231	2	7
Malitbog	Malitbog	11,134	2,206	735	615	120	8	4
Maasin	Maasin	23,098	4,739	1,579	890	689	4	12
Hilongos	Matalom	23,455	4,741	1,590	453	1,137	7	19
Hindang	Inopacan	11,059	2,211	737	230	507	3	9
Baybay	Baybay	22,090	4,598	1,532	195	1,337	5	20
Ormoc	Ormoc	20,761	4,152	1,384	761	623	6	17
Mérída	Mérída	8,036	1,727	575	296	279	1	8
Palompón	Palompón	10,198	2,039	676	201	475	2	9
San Isidro	San Isidro	12,329	2,465	821	.....	821	.....	13
Leyte	Leyte	6,918	1,383	461	271	190	3	4
Naval	Almería	13,275	2,655	885	258	627	4	11
Caybiran	Caybiran	8,086	1,677	559	250	309	2	7
Babaturgon	Babaturgon	6,159	1,031	343	.....	343	.....	6
Carigara	Barugo	31,448	6,369	2,123	814	1,309	7	28
Jaro	Jaro	11,066	2,213	737	747	a 10	11	1
Alangalang	Alangalang	13,079	2,615	871	317	554	3	11
Burauen	Burauen	37,061	7,572	2,524	1,176	1,348	9	31

a These figures indicate attendance in excess of one-third school population.

Total population	388,922
School population (one-fifth of total)	77,784
Attendance desired (one-third school population)	25,928
Attendance, February, 1905	12,855
Additional attendance desired	13,073
Number of municipal teachers, February, 1905	120
Additional number of municipal teachers desired	296

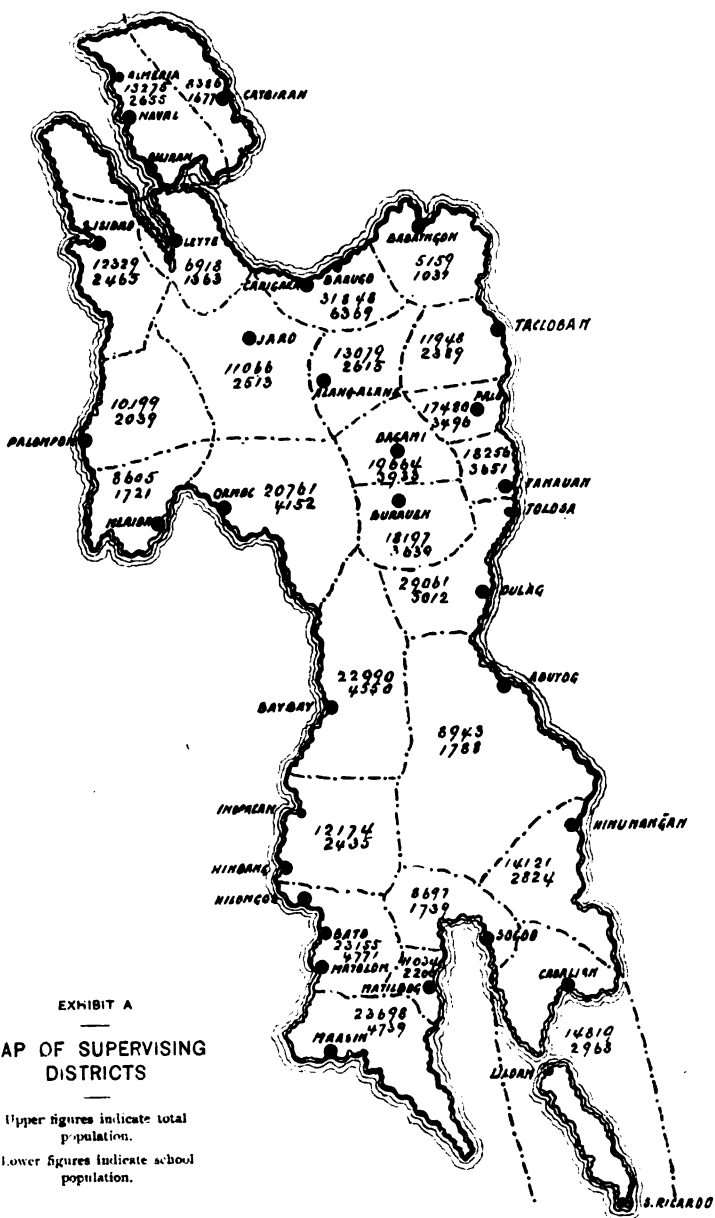
APPENDIX J.

Table giving comparisons between the first and last months of the school year.

	August, 1904.	February, 1905.	Gain during year.	Percentage of increase.
Enrollment	8,201	15,369	7,168	0.874
Attendance	6,172	12,855	6,683	1.083
Percentage of children who should be in school	0.234	0.496	0.262	.....
Number of schools	57	85	28	.491
Number of American teachers	19	29	10	.526
Number of insular Filipino teachers	4	4	.....	.....
Number of municipal teachers	88	120	32	.364
Number of apprentice teachers	1	5	4	.....
Number of teachers paid by contribution	.....	5	5	.....
Municipal salaries	P 1,796.50	P 2,197.50	P 401.00	.223
Average municipal salary	P 20.42	P 18.31	a P 2.11	.....
Number enrolled teachers' classes	42	201	159	.....
Number night school pupils enrolled	232	b 327	95	.....

a A loss.

b For the month of January.



DIVISION OF MASBATE.

Mr. C. H. Hanlin has been in charge of the schools of the division of Masbate throughout the school year as acting division superintendent to January 1, 1905, when he was given permanent appointment to that work. The province is a very small one in area and population. Its prevailing industrial conditions are fully described below by Mr. Hanlin. A later report from the superintendent states that conditions are becoming more normal. The people are beginning to harvest their corn and are no longer suffering from hunger. School attendance is increasing rapidly, San Fernando having an enrollment in August of 500, and San Jacinto of 450.

I think it fitting to make reference to the industrial and economic conditions of the province, also to the crisis through which the people at present are passing. Light may thus be thrown on some of the statistics herein to be given.

Stagnation appears to be the only word which at present describes the native industries of the three islands composing the province of Masbate. I have within the last two months been over nearly all of the province, having crossed the islands Masbate, Ticao, and Burias at different points, and have seen the people working and eating.

This has been an exceedingly dry year. Little of the land has been plowed. Carabao are scarce. Quite a number of the people are selling those they have left. Thus they are forestalling the possibility of cultivating their soil in the future. To-day a typical sale of land was made by a native of Masbate to a man living in this town. The native had a tract of land, about 6 acres, containing 90 bearing coconut trees and about 2,500 hemp plants. A fairly good native house is on the property. The sale with a clear title was made for 50 pesos.

Rains began about two months ago. Since then the people have been able to do some work in the soil. Yet a thousand acres would be an exceedingly liberal estimate of all the land in the province which has been planted in corn, rice, and camotes, the principal food plants of the people. The towns of the province are all located along the seacoast, but a large part of the people live in the interior on small farms. Those of the interior are generally the poorer people. During the last three months these have eaten little other plant food than a native root called kurut, and another called camoteng cahoy, both of which are said to be poisonous when not prepared rightly. On Burias, a buri flour is at present used largely instead of rice.

Quite a bit of land is planted in hemp, but from this little has as yet been harvested. The industry is young. This is especially true of the island of Masbate. On Ticao the hemp industry is so sufficiently well rooted that temporary droughts are not disastrous. A number of the towns on the southern part of the island of Masbate asked that the opening of their schools be postponed until September 1. This petition we did not grant. They were informed that schools would be opened on June 12, and allowance made for conditions and that we would not expect a large attendance while food was scarce. This plan was deemed the better, inasmuch as the granting of their petition might have established an undesirable precedent. During the four school years that I have been in the province the attendance in the schools has always been curtailed during the earlier months of the terms, on account of the same lack of food. There is no denying that the real cause is that the people are improvident. No provision is made for the morrow. Agriculture is not practiced sufficiently to insure them food to last them during a drought of two months, as to each soul in the province there corresponds less than one twenty-second of an acre of ground cultivated for the raising of food plants.

I have made some observations in the province in respect to its industries, and number of days during which able-bodied men work. Probably it would not be wise to state results. Suffice it to say that economic and industrial conditions are such that until a change is effected in the *tempus et modus laborandi* of the inhabitants outside of the municipal towns of the province, a regular and large attendance can not be attained during the dry seasons of the year.

Yet the statement of the above facts is in no way an exponent to discouragement on the part of the writer or of members of the department in the province. It is simply a statement of conditions as they exist. The daily attendance is at present rapidly approaching the number desired by the department, which is 2,400. We have every reason to believe that the average monthly attendance will be greater for the year than the one desired by the general superintendent. But this year is again a striking example of what has occurred in the former years, viz, that the attendance during the earlier months of the term is small.

In spite of a long drought this year the attendance has been better during the opening months of this school year than during the early months of previous school years. There has been a marked improvement.

We have every reason to believe that the department is looked upon favorably by the people of the province, and that the presence of one of its members is much more welcomed than that of any other employee of the government.

SCHOOL FINANCES.

In the matter of school finances the school year 1904-5 was an exceedingly bright one for the province of Masbate. Little of the land tax of 1902 and 1903 was collected during the time in which it should have been paid. Consequently the schools prior to the year of 1904-5 were run on a mere pittance. Loans and gifts were made from the general funds of the municipalities. And on the whole the situation was very unsatisfactory. The appearance of a firm provincial treasurer in June, 1904, changed matters entirely. Land tax was collected and the schools were put on a firm basis. Teachers have been paid, and that regularly.

During the school year 1903-4 there was a total expenditure of ₱2,196.46 on the part of the municipalities of the province for schools. The total of balances for schools in municipal treasuries of the province on June 30, 1904, was ₱1,308.51, while the corresponding amounts as summarized on the financial report of June, 1905, are ₱4,872.10 and ₱330.28. The former amount of totals expended for schools does not include a total of ₱1,990.65 voted by the municipalities of the province from general funds and from private subscriptions. Taking the latter amount into consideration, we have a grand total of ₱9,862.75 as expended by the municipalities of the province for the support of primary schools during the year 1904-5. This amounts to about ₱15.6 per capita. Adding the amount ₱6,862.75, the total expended by the municipalities for the support of public schools, to ₱3,000 expended by the province of Masbate for the construction of provincial school structures and the rental of provincial school buildings, we find the total amount expended within the province for schools to be ₱9,862.75, or, per capita, ₱22.4.

The total of amounts owed by municipalities for schools, as per financial report of June 30, 1905, was ₱521. This amount was entered on the report only because June Forms B had not time to reach the municipal treasurers of the province before Form No. XII was sent to the general superintendent. All June salaries are now paid, and the provinces and municipalities are even on school finances.

A question might be raised as to the wisdom of having the comparatively large balance of ₱3,305.28 in the municipal treasuries of the province. This guarding of school funds was deemed advisable on account of the fact that a great deal of delinquent land tax was collected during the year 1904-5. Such large collections can not be expected during the present school year.

ORGANIZED SCHOOLS.

During the school year of 1904-5 there were schools organized in all of the thirteen municipalities of the province. At the beginning of the present school year every one of the municipalities has schools established as follows: Masbate, 3; Mobo, 1; Uson, 2; Dimasalang, 2; Cataingan, 4; Placer, 1; Milagros, 2; Pulanduta, 1; Mandaoan, 1; Aroroy, 2; San Pascual, 2; San Jacinto, 4, and San Fernando, 5.

Funds are available in several of the municipalities for the opening of new barrio schools, and several will be started within a few weeks. We are awaiting transportation at present for a native teacher and supplies to be taken to San Agustin, Aroroy.

TEACHERS.

There are at present employed in the province of Masbate 34 municipal teachers, 8 of whom are women and 26 men. The average monthly salary for men and women is ₱14.30, the average for men being ₱13.54 and that for women ₱16.88.

During the last school year there were 8 American teachers employed by the department in the province. Four of these served full time. Two arrived in the province on June 29, 1904, 1 on September 11, 1904, and a third on October 26, 1904. At the opening of the present school year 8 American teachers began work, and a ninth began on July 13.

At the beginning of the last school year 4 insular Filipino teachers began work, a fifth on July 1, a sixth on October 1, and a seventh on October 10. All of these 7 began work on June 12, 1905, when the schools of the province opened for this year.

SCHOOL BUILDINGS.

The school year of 1904-5 was a remarkable one for the province in the way of school-house construction and repairing. The past summer vacation and the months of June and July of the present school year have been quite as encouraging. Much remains, however, to be done along the lines of construction and equipment of school buildings. We find a trouble in some of the municipalities in that they ask us for plans which would take years to elaborate. They are inclined to attempt too much. They need to be held down to their possibilities, as much of the labor and materials must be voluntarily contributed. Little has been done in the province in the way of getting good school furniture. Outside of the American school desks, the Filipino desks, and the old Spanish desks which are scattered

throughout the province, the school furniture is quite primitive. Many of the barrio schools have only straight benches, without backs, for the seating of their children. It is to be hoped that during the present school year much will be done toward remedying this condition of affairs.

The provincial school will be able to remove from the rented building about October 1 into two buildings now being constructed for provincial school purposes. The two buildings now being erected will be each 72 by 27 English feet in dimensions. It is to be hoped that later on we shall have a third building for the provincial school, and that the two structures now being erected for the school can be used as a workshop and a dormitory, respectively. However, we will be much more comfortably housed in the new buildings than in the old rented structure. We will have the satisfaction of being on our own land and near our own baseball diamond and agricultural plot. (This is a tract of about 4 acres, fenced in by an eight-strand wire fence, put up by pupils of the provincial school.) The new site is one of the most beautiful places in the islands. It is just outside of the town of Masbate.

The amount expended by the provincial board for the construction of the two buildings is a very moderate one, ₱2,400. Harigues and some other materials were contributed. The contractor stands a good chance of losing money. His work, however, is not of an inferior grade. The buildings will be of light materials.

It might further be said, however, that all school buildings in the province are of light materials, and, generally speaking, in a good state of repair.

An illustration of the manner in which repairing on school buildings is generally done in the province is given at San Fernando, Ticao. On the 11th of July of the present year there appeared in San Fernando, Ticao, 194 men, each carrying 100 anahao for the repair of the municipal schoolhouse roof. An invitation for such action had been given a few days prior to that date by the town presidente. In one day the whole roof was removed by that force of men and a new one put in its place. The division superintendent approved an expenditure of ₱7.50 from the school funds of the town with which to purchase food for the men. Outside of this small expenditure the repairing was done voluntarily.

INDUSTRIAL WORK.

On the whole, we believe few divisions in the islands have done more than has Masbate toward firmly establishing industrial work in their schools. Within the last school year this kind of work had its beginning in the provincial school, when Mr. Sibley, a teacher in the school, began to devote his entire time to industrial work. This was about November 1, 1904. Garden tools, blacksmith tools, and carpenter tools were furnished us by the department. The object of the work was and is to do and make practical things;—school benches, bamboo chairs, tables, bookshelves, mats, fans, and pottery were successfully made. A school garden was fenced in and successfully cultivated.

At the opening of the present school year a definite plan was outlined for industrial work in the provincial school. There are five grades in the school—II, III, IV, V, and VI. Each grade devotes one morning per week to work.

Grade VI.—Carpentry work, including care of tools.

Grade V.—Agricultural work, consisting of the growing of staple Philippine crops.

Grade IV.—Kitchen gardening.

Grade III.—Blacksmithing and agricultural work. (This grade consists of large boys rather backward in English for their ages.)

Grade II.—Simple manual training. This includes the making of simple articles for the home.

The course here followed has as its aim to make practical farmers of the boys, with enough mechanical skill so that they will be able to repair the implements on their farms.

Work of present interest is the making of a harrow with iron spikes (this is now about completed). The native harrows are all of bamboo, with bamboo pins for the breaking of clods.

The agricultural plot of 4 acres is nearly all plowed. In this work our boys learned how to use an American plow.

The old proverbial school garden of last year is still being cultivated.

An eight-strand wire fence has within the present school year been put around the agricultural plot by the boys. The provincial school fence is the only presentable one in the province.

Little is being done in domestic science with the girls. A number of them, however, are taking lessons on the provincial school piano.

Baseball is exceedingly popular with our boys. San Fernando and San Jacinto each have teams. Interschool games will be played on August 26, 1905, at San Fernando, Ticao. The contesting teams will come from San Jacinto, San Fernando, and from the provincial school. We expect to play the Romblón high school at Masbate sometime within the Christmas vacation. The Albay-Sorsogón-Masbate league will have its second meet early in April, 1906.

San Fernando, San Jacinto, Uson, Milagros, and Cataingan, each has a school garden and some tools for cultivation of it. Fences were constructed by the pupils of the schools. We hope to have at least one school garden in each municipio before the close of the present school year.

On the whole we find little trouble in getting the pupils to work. Some complaints, however, have been made by the parents. We shall outlive those objections and believe that at an early date everyone will see the wisdom of our course.

SCHOOL BUILDINGS.

During the past school year schoolhouses were constructed or additions made to the buildings already up, at the following points: Magdalena, Masbate, at Aroroy; at Mobo, (not yet completed); at San Fernando, Ticao; and at San Jacinto, Ticao. (This building is as yet not completed). All buildings are so located that school garden plots can be had near them. Ample playgrounds adjoin all schoolhouses of the province. All schoolhouses of the province are located on public lands.

In the line of decoration of school grounds little has been done outside of Masbate and San Fernando. At these places trees have been planted. At other points, however, the school garden fence and cultivated soil add materially to the appearance of school properties.

POPULATION WITHOUT SCHOOLS.

As before stated, there are schools in every municipio of the province. But it would not be just to say that there are schools provided for every child, that is, that there is a school within a reasonable distance from the home of each child. There are at present 17 barrio schools established in the province. But the entire number of barrios in the province as per census report is 116, with population ranging from 50 to 1,200 souls. The greater number of these so-called barrios do not have as many as two contiguous houses. They are composed of a group of small farms, often at great distance apart. It is evident that a number of these outlying barrios will have to be reached by country schools. Such a school was established in February, of the present calendar year, at Talisay, San Fernando, Ticao. The March enrollment was 53 with a daily attendance of 45. The experiment is proving a success in the present school year, and if continually successful will indicate a possible solution for other similar barrios. There are, however, many of these barrios located within comparatively short distances from the poblaciones or from other barrios having schools. I should say that at present there are about 1,500 children of school age in the province who would be much incommoded by attending schools at points where they are now established. It is practically impossible.

DIVISION OF SÁMAR.

The province of Sámar has been continuously under the supervision of Mr. H. S. Townsend during the past school year. As stated by Mr. Townsend in the following report, the province throughout the year has been in an extremely unsettled condition and it has been altogether impossible to establish a complete system of education for the division. At many points where schools have been established, however, a munificent influence upon the temper of the people has been apparent. It is the purpose of the bureau of education to supply the division with additional American teachers and to bring within their influence as large a percentage of the population as can possibly be reached. It is firmly believed that no agent can ultimately be so effective in promoting conditions of peace in disturbed areas of the islands as the general diffusion of intelligence, and so free the people from the superstitions through which the pulajanes harass and terrorize them.

It is impossible to discuss the educational conditions and developments of the past year in Sámar independently of the more general conditions and developments. Moreover, these developments, both educational and general, are characterized by a continuous flow rather than by distinct stages. For this reason it is impossible to begin a report at any definite date without realizing the need of some facts which lie back of that date. Accordingly I begin this report with a brief discussion of events back of the period with which it is supposed primarily to deal, as well as in dealing somewhat fully with some matters which at first glance may seem not strictly germane.

Sámar, as is well known, was not only the last of the provinces to give up the insurrection against the authority of the United States, but it was also the one in which the warring forces wrought the most complete devastation. When peace at last came, all that stood between the people and abject want was the hemp crop growing in the hills. This was

gathered and marketed. Business was good. The latter part of 1902 and the early part of 1903 had the appearance of a period of great prosperity. Men admired the amazing powers of recuperation of the island. But appearances were to some extent deceiving. The hills were soon stripped so bare of hemp that there was little to market in the following year. Owing to the recent ravages of pestilence and war, the number of carabaos on the island was so small as to make a crop of the quicker-growing rice impracticable. A reaction in trade and apparent prosperity was inevitable. During this short period of depression the areas of the hemp plantings were increased; and at the beginning of 1904 the people were looking confidently for an early return of permanent prosperity. The municipal officials believed the land tax could soon be collected generally, and that such collection would make a general advance in education possible. With scarcely an exception they were enthusiastic over the prospect; and the demand for American teachers and English education was practically universal. At that time there were 6 American teachers in the province, teaching in 4 municipalities; and Filipino teachers were successfully teaching English in one other municipality.

During the first term of 1904, 11 American teachers were added to the teaching force, and enthusiasm and hopes waxed. The building and repair of schoolhouses were undertaken in numerous places. Yet the term was still new when the hopes began to be mingled with forebodings of evil. In January marauding bands of pulajans were found roaming about among the more remote barrios of Taft, Borongan, and Llorente, levying tribute from the people, who had no other means of protecting their homes, their families and their own lives than to yield to the demands of these cruel bandits. The pulajans gained unreasonable, but none the less real, prestige through the defeat of a small detachment of constabulary, and the capture of half a dozen guns. To offset this it was necessary that they be defeated and punished severely. All efforts in this line failed, however, as the bandits could not be found. Thus it came about that the opening of the school year was characterized by mingled hopes and fears, with the hopes still predominant.

In June the main band of the pulajans passed to the northwest from the region of Borongan to the valleys of the Gándara. Early in July shocking reports of indiscriminate slaughter and horrible mutilations of men, women, and children came in from the remote and unprotected barrios of the municipality of Gándara. The fire had broken out. The scouts were called out. In spite of all efforts, raids and murders followed, extending over a large part of the island. Catubig was raided and fired, and a number of residents were left dead in its streets. Essentially its barrios were burned, and the Catubig Valley above the town was left desolate. The valleys of the Gándara were laid waste. Raids were made within five kilometers of Catabalogan, the local headquarters of the constabulary. Motiong, within two kilometers of Wright, was razed and left to mourn the death of five and the wounding of a number of others. A school had been opened at this point under the supervision of the American teacher at Wright, just the day before the raid. Many of the barrios of this municipality were devastated, leaving the people to suffer the loss of their usual means of livelihood. Essentially all the barrios of Borongan were destroyed, few being killed; and many of the people sought refuge for the time in the mountains with the pulajans. San Julián and a number of smaller barrios of Taft were burned near the end of September, leaving about 5,000 people homeless in a single day. Again, considerable numbers sought refuge in the mountains. If not actively with the pulajans, these people were certainly not against them. Early in November Orás was destroyed with all its barrios. Just how many people were killed at Orás will never be known, as the pulajans followed the fleeing people into the river and there killed many, whose bodies were carried out to sea on the retreating tide. Probably the number was not far either way from one hundred. Ten thousand people were made homeless. Most of these sought safety in the mountains. Six months later it was estimated that 7,000 of these men, women, and children, were still roaming, homeless and hungry, through the forests, not daring to ally themselves with either side. What the feebler ones, the old men and women and the mothers and their little ones, suffered during all these months will have to be left to the imagination and the vultures. On the 16th of December came the worst disaster of all in the destruction of Dolores, with a force of 47 scouts. Only two of this force escaped, and 42 rifles with a large quantity of ammunition fell into the hands of the pulajans. In six months these bandits had added about a hundred to the small supply of guns with which they began their raids in the valleys of the Gándara.

A great part of the island was now terrorized. Business was everywhere stagnated, and in many places it was dead. The pinch of poverty was felt, and many of the people suffered absolute want. Attendance at the schools, as a whole, increased during this term, owing to the gathering of people into the protected towns, where most of the American teachers were located. The intense excitement caused by these events produced its natural effects upon the school work, especially in the more doubtful localities. Anxious mothers sometimes refused to allow their children to leave them to go even very short distances to school, lest the dread pulajans should make a descent upon the town and separate their

little ones from them. These cases, however, were few and they represent only the extremes of excitement and apprehension. On the whole, there was not a tithe of the excitement which such events would produce in any American community.

What was the cause of all this? What were the motives and grievances of the pulajans? How did it happen that a band of one or two hundred men with very few guns, could overrun a municipality of 10,000 people, destroying a considerable military force stationed there for the protection of the people? Such questions as these are frequently asked and answered on Samar; but the answers given all seem unsatisfying. Many causes are given, but any or all of them seem insufficient. Undoubtedly, there are motives back of all this which are not yet fully comprehended by the Occidental mind. There is, however, one persistent element which runs through all explanations. This is a feature of the affair which is worthy of most serious consideration. It is presented in its most striking light in what is sometimes called the "fanaticism" of the pulajans. These people are nerved to their attacks, and many of their victims are unnerved in their defense by the gross superstition that certain charms possessed by "Papa Pablo," when properly used, make men invulnerable. Such superstitions are the offspring of ignorance and can not live in the light of intelligence. This same ignorance runs through all the causes and explanations assigned by intelligent persons for this rising. The practical conclusion to be drawn is almost too obvious to require statement. The one sure and sufficient remedy for the conditions is a general diffusion of intelligence.

The history of Samar for the past year would have been very different had it been practicable in the beginning of 1902 to put an American teacher into each municipality of this island, and since that time to have pushed schools into all the principal barrios. It is logical to put forth educational efforts in the various communities in inverse proportion to their intelligence. Yet at the very climax of this display of ignorance and its baneful results, it was found necessary to reduce the number of American teachers on the island by withdrawing those stationed in towns not deemed sufficiently protected. The patient had become so violent that it was impracticable to apply the remedy. Nothing but the strait-jacket remained.

The short term opened in January amidst the most extremely unfavorable conditions. There was little activity during its progress on the part of either the pulajans or the military forces. Yet all knew that the volcano was smoldering in their very midst and was liable to break out with renewed violence any day. The pulajans in the interior of the island were emboldened by successes and strengthened by the acquisition of a large supply of arms and ammunition. The people were apprehensive. Hopes and fears struggled together; but the fears were predominant. The attendance at the schools fell off, and it did not again equal that of December. Much attention was given to the training of the Filipino teachers; and in March all the municipal schools were closed for the purpose of bringing in the teachers, aspirants, and monitors for instruction and institute work in the provincial high school. Here attendance was unexpectedly large, the enrollment being brought up in April to 535, a number entirely unprecedented in this place. So the school year ended with a display of the most remarkable persistence of educational interest on the part of these people.

During the first term the number of American teachers assigned to this division was 19. Of these, 5 were employed in the provincial high school, 2 in the municipal school in Calbayog, and 1 each in the municipal schools of Catbalogan, Allen, Capul, Lavezares, Catarman, Laoang, Borongan, Guiuan, Basey, Villa Real, Wright, and Zumarraga. These had the assistance of faithful and earnest Filipino teachers, for the most part of almost incredibly poor qualifications. Their lack of proper education is due to the fact that in 7 out of the 13 municipalities there had never been an English school for a single full term, and in 2 others the work had been broken up a good deal. For this reason much time and attention had to be given to the central schools and to the education of the Filipino teachers. The barrio work was pretty fully developed in Laoang and partially organized in Basey. Two American teachers were placed at Laoang for the purpose of looking after the work in the 4 municipalities of Laoang, Catubig, Palapag, and Pambujan. In Laoang and Pambujan the work progressed without disturbance, but in the other 2 municipalities it was entirely broken up at times, owing to the ravages of the pulajans. The barrio work was barely begun in Catbalogan and Catarman.

The main part of the institute work was done in a special term of the provincial high school which ran through nearly all the summer vacation. The majority of the teachers, monitors, and aspirantes of the division attended during this whole period. The result of this has been very gratifying progress on the part of our Filipino teaching force as a whole. It is in this line that the most satisfactory progress has been made this year.

And here I wish to make record of my appreciation of the work done by the provincial high school in the preparation of teachers. There is not a Filipino teacher employed in this division who has not spent some time outside of the regular institute period of four weeks in this school, and I see no reason why anyone else than those who have thus profited should

be employed from this time on. This is due largely to the faithful efforts of many American teachers, whose intelligent enthusiasm had much to do with the gathering of the Filipino teachers into the school, as well as whose ability and energy as teachers contributed to the success of the schoolroom work, and especially to the devoted and well-directed energies of the principal, Mr. C. L. Hoover. Yet in the last analysis, the credit is due primarily to the Filipino teachers themselves.

The promise of more American teachers and the arrival of some of these from time to time stimulated an already active interest in education in the early part of this year. In consequence of this, new buildings or extensive repairs on old ones were undertaken in the municipalities of Calbáyog, Allen, Lavezares, Capul, Catarman, Pambujan, Laoang, Catubig, Palapag, Taft (in the central barrio and in two larger ones), Llorente, Guiuan, Villa Real, Calbiga, Wright, and Zumárraga. Some of these were begun before the beginning of this period and others were not finished at its end; but the mass of the work in every case was done during the year. Nearly every house was begun with "volunteer" labor, and in this way I estimate about ₱7,500 worth of work was done for which no direct payment was made. In certain cases men who did not wish to render personal service hired substitutes, so that probably ₱500 was paid out in cash for the building of these houses, no return being expected or asked from any fund, public or private. Yet in a number of cases it was found impracticable to finish the work undertaken without the expenditure of school money. In fact I have rather discouraged this method of building schoolhouses, finding that "volunteer" means little more than "unpaid" labor. In many cases besides the municipal presidents, with commendable ambition, improved upon the plans originally intended for provisional buildings to such an extent as to make them intolerable burdens upon the people. The result is that school funds have had to be expended where this was not the intention, and we have buildings of considerable permanence on sites acceptable only for temporary buildings.

There were no schools in the municipalities of Almagro, Gándara, Oquendo, Orás, and Santo Niño; and the schools of Taft were closed at the very beginning of the year. In all these cases there was an utter lack of suitable teachers. In the cases of Almagro and Santo Niño this difficulty was reinforced by an utter lack of funds. In Oquendo and Orás the pulujans furnished another difficulty, as they did in Taft also. It will be readily believed that in Calbiga, Capul, Palapag, and Pambujan schools were conducted under great disadvantages, owing to shortage of school funds. It is expected that before the end of the present year schools of some sort will be running in every municipality of Sámar, though the conditions in Gándara will be exceedingly hard. Lack of funds will make the undertaking at Almagro and Santa Niño farcical if nothing can be done from the outside for these municipalities. It is not to be understood, however, that there is any prospect that schools will be brought within the reach of our entire population for an indefinite time to come. It should be borne in mind that the average municipality of Sámar covers an area of 212 square miles, equivalent to an area 14½ miles square, and has a population considerably over 10,000. It is only recently that the number was reduced from 43 to 25, and many of the municipalities have barrios as large, essentially, as the pueblos themselves. I estimate that when we get things to running as well as we can with the present forces and funds available, schools will be within reasonable reach of one-third of the population, or a little more. These schools will be too small, however, to accommodate all the children within reach of them, and the teaching force will be insufficient to teach them, even if they could be otherwise accommodated. Conditions have changed so much that it is now a matter of guesswork to say what the population of any barrio is; but estimating on the basis of the last census I should guess that there will be 30 barrios with populations over a thousand and 75 with populations between five hundred and a thousand, which will be entirely beyond all school accommodations. Then come the barrios, in the usual sense of that term, and essentially all of them will be left out, though a few will be reached, in Laoang, for instance.

In order to reach this degree of completeness in our provisions for education in the municipalities it will be necessary that two inexperienced boys, one of 17 and one of 16, should have charge of the education of a population estimated at 4,000 at Orás. This place is so much separated from the nearest supervising teacher and this man will have so much to do in his own district that these two boys will have to do their work without supervision, except such as the division superintendent can give them. Conditions will be scarcely better in Allen, Almagro, and Santo Niño, and only slightly better in a number of other places where school funds are not sufficient to employ teachers efficient enough to carry on work satisfactorily without very close supervision, and where this latter is impossible, owing to difficulties of transportation and to the extent of territory and the number of schools over which one supervising teacher must preside.

In a general way it may be said that during the past year our teachers have been almost hopelessly overwhelmed with work. It was necessary to make a choice as to what would be done and what could not be undertaken. Primarily the choice fell upon the preparation of teachers. Realizing that the maintenance of our American teaching force depended upon large attendance, we have had to make this a strong secondary purpose. Where this latter

purpose was allowed to rule, the present situation is not in other respects satisfactory. In Laoang, for instance, so many schools were organized that the central school had to be left without much assistance from the American teacher. And this central school was so stripped of its more advanced pupils to furnish the teachers for the little barrios that it is now difficult to replace teachers lost; and the interest of the more advanced pupils seems in imminent danger of being sacrificed. For this mistake I assume full responsibility. It was with misgivings that I approved of a development which divided up the time of the American teacher so that he could do so little for any one school; and I am now convinced that this was premature. The more deliberate progress made in most of the other municipalities reached seems to me to have left them in better condition for continuous healthy development. It seems best to keep in close touch with the Filipino teaching force, lest by dividing our forces too much we weaken our efficiency and destroy our credit with the people, and especially with those more advanced pupils who are most competent to judge of the advantages we are offering them. Just now I fear for the results of the coming year in the Calbiga district, for instance. Very young and weak teachers are here left with insufficient instruction and supervision. In this respect conditions are scarcely better in the Guinan district. Other purposes than these two, such as the development of the industrial features of our work, the introduction of music and drawings, etc., have had to wait their time for development for the most part.

Although conditions on Samar are greatly improved at the date of this writing, and our hopes for the educational work are correspondingly high, still it is evident to all that our troubles are not over. A good deal of progress during the coming year may be confidently predicted. On the other hand, a great many difficulties, discouragements, and hardships, as yet unforeseen, may be predicted with equal confidence. Yet amidst these perplexities the work will go forward.

DIVISION OF MISAMIS.

Schools were established in the province of Misamis under the American régime at the time of their organization in all parts of the archipelago. The people and officials from the beginning were antagonistic in their attitude toward the American Government in general, and toward the public school system in particular. This attitude made the accomplishment of valuable results impossible, and in December, 1903, with the consent of the secretary of public instruction, all American teachers were withdrawn from the division with the exception of one, who remained in charge of the schools of Oroquieta, where the attitude of the people was more favorable than in other towns. The reasons for the reestablishment of the work of the bureau of education in Misamis are stated below by the acting division superintendent, Mr. E. J. Albertson, who was appointed to his present position April 14, 1905. During the early part of the year 1904-5 the schools of Misamis were under the supervision of Mr. G. N. Briggs, at that time division superintendent of Surigao.

Excerpts from Mr. Albertson's report follow:

Government schools in this division were closed from December, 1903, to September, 1904, because of a lack of support on the part of the people. This action on the part of the bureau of education had in many ways a wholesome effect on the entire province. The American teachers had scarcely left their stations before there was a clamor on the part of the people to be given another opportunity to maintain schools. This sudden demand for public instruction seemed to have its center in the capital town of the province. However, petitions came in from all parts asking that schools be continued. When it was seen that the American teachers were to be withdrawn, steps were immediately taken to organize a private school in Cagayán for English instruction. An American teacher was engaged and a large private school was maintained for several months at the expense of the people of the town. The people of the municipality of Oroquieta having always shown a proper spirit toward government schools, the American teacher of that place was not withdrawn. After all of the municipalities had taken positive steps toward repairing school buildings and reorganizing their schools, a petition was forwarded to the general superintendent of education asking that American teachers be returned to the province and promising every aid in building up the schools. As a result of this request the division superintendent of Surigao Province was ordered to make a personal investigation into school conditions of Misamis Province. Mr. G. N. Briggs, the division superintendent of Surigao, visited the province in August, 1904, and made a detailed report to the general office. As a result of this investigation, two American teachers were sent to the province in the latter part of September, and steps were at once taken to reorganize the barrio schools of Cagayán and open a provincial secondary school. From the first day there was abundant evidence of the people's sincerity. Everybody from the governor down took personal interest in the schools, and in this manner was the work in Misamis reopened.

DISTRICT ORGANIZATION.

The province has been divided into ten school districts, which, with the exception of the district of Salvador, which also includes the small municipality of Initao, are composed of one municipality each. The largest one is Manbajao, which is composed of the entire island of Camiguin and which has a school population of 6,151 children. The smallest district is Jiménez, which has a school population of 1,437. The districts as a whole are not difficult to supervise, so far as traveling is concerned. The towns of Languaran and Talisayan present the most difficulties in this respect.

Of the ten municipalities of the province, six of them were without organized public schools during the past year because of the inability of the bureau to furnish supervising teachers for same. The towns without organized public schools were Languaran, Jiménez, Tagoloan, Balingasag, Misamis, and Talisayan. In all of these towns schools were maintained, but it can hardly be said that they were in any sense organized. In many cases a group of children would go to the home of the teacher and repeat the catechism parrot fashion, but even this manner of school was not kept up with any degree of regularity. So that, properly speaking, organized public schools did not exist in these six towns. Languaran and Jiménez have each recently received an American supervising teacher, and it is proposed to likewise furnish the towns of Tagoloan and Balingasag this year. The only two towns that will be without American supervising teachers this year are Misamis and Talisayan. An effort will be made, however, to send trained native teachers to these two towns this year to organize schools there, so that there will be no town in the division this year without organized schools.

FILIPINO TEACHERS.

There were 111 Filipino teachers on duty in the province, 63 of whom were males and 48 females. The majority of these teachers have never received any training whatever in the art of teaching. They knew no English, and were scarcely able to carry on a conversation in Spanish intelligently. Not more than one-third of the total number of native teachers conducted their schools entirely in English. In the schools where English was taught the teachers in charge did excellent work. About 50 of these teachers are young people who received all of their training in American schools during the past three years. They are earnest and enthusiastic and take great professional pride in their work. Three years ago difficulty was experienced in obtaining a sufficient number of persons of the right kind to accept positions as teachers. Only those of the lower class or those who were in financial need could be induced to teach. The same is no longer true. Young men and women of the highest class, those who have spent from two to six years in Spanish schools in Manila, were engaged to teach last year without difficulty. Teaching is fast becoming recognized as an honorable profession, and the best class of young people from every town in the province are being prepared in the provincial high school for the profession. The schools that were in session during the year were in most cases overcrowded. In some cases one teacher had as many as 400 pupils under his supervision. The average number of pupils to each municipal teacher was 98. Pupil monitors were of course used in most of the schools. One cause of this overcrowded condition was due to the lack of proper supervision. This condition of things has been partly removed already this year. In schools where two teachers were overtaxed last year with work four or five are now looking after the same work.

PROVINCIAL SCHOOL BUILDINGS.

The provincial high school was and still is being housed in two large buildings containing ten class rooms, which accommodate 300 students. The houses are centrally located and are near the school gardens. The small rooms were used for model school work, which was maintained in connection with the high school. By next year it is hoped that a new large recitation building will have been erected. A fine tract of land of about ten acres was purchased by the several municipalities and turned over to the province for high school purposes. This land is located on the main road leading from the wharf to the town of Cagayán and is well drained. The commission having appropriated ₱8,000 of the appropriation made from the Congressional relief fund for school purposes to this province, the provincial board will increase the amount to at least ₱13,000. It is proposed to build one large recitation hall this year and build suitable dormitories as soon as sufficient money is available. It is not unlikely that provisional cottages of bamboo will be constructed within the year to accommodate the boarding students. A fine, large building of Spanish construction is located within a block of the proposed site for the high school, which the municipality of Cagayán has offered to the province to be used for woodworking and ironworking shops. A building especially constructed for these shops could hardly fulfill the conditions more satisfactorily than does this large building. It is composed of two very large rooms, with a wing

to each one, each wing containing two small rooms. There is a beautiful lawn behind the building shaded by cocoanut trees. It is hoped that this building may soon be utilized.

There are in the province about 38 schoolhouses of Spanish construction which are serviceable. There have been 33 school buildings erected under American rule up to July of the present year, and 3 or 4 are under contract at the present time. The number of school buildings owned by the province at the close of the year was 85. Of the other buildings used for school purposes, 2 were rented and 8 loaned by individuals without cost to the municipalities.

SCHOOL FINANCES.

All of the towns of the province have been very liberal in the matter of appropriating funds for school purposes. The towns of Oroquieta, Jiménez, Balingasag, and Tagoloan each levied the maximum land tax of one-half of 1 per cent for school purposes, and Cagayán levied three-eighths of 1 per cent for the same purpose. Some of the towns made large appropriations from the general funds for the schools, Oroquieta having turned over in this manner ₱3,000 for an intermediate school, and Mambajao appropriated various sums for the payment of teachers' salaries.

No municipality had at the close of the school year any undischarged obligations. This is fortunate, for all available funds will be needed the present year to properly equip the schools.

PROVINCIAL HIGH SCHOOL.

It may be safely said that the high school has been one of the strongest factors in creating in the minds of the people of the province an active interest for school work. In the first place, the mere name of a secondary school held an attraction for the well-to-do parents of the province. They sent their children to Cagayán to ascertain just what was being done here. The children, many of whom had never been away from home before and for whom school life held a deep interest, wrote home to their relatives and friends about the school. Up until the Christmas holidays the school was obliged to utilize boxes, poorly constructed benches of bamboo, and whatever else could be found for furniture, and even then many pupils had to stand. In January 100 school desks, which accommodated 300 pupils, were received.

It became necessary in November for the provincial board to rent another large house for use of the school, the enrollment having grown to 250. Much time and attention were given to literary work, and the results obtained were gratifying. Sewing, gardening, and gymnastics had a place in the daily programme for January to the close of the term, and much good was derived therefrom. One of the strongest students of the school was sent to the United States on a government scholarship because of his diligence and the excellent record made in his studies while in the high school.

The provincial board has provided very liberally for the support of the high school, the sum of ₱1,344.43 being expended for its maintenance during the six months. Besides this, the province has made provision to expend at least ₱5,000 this year toward the construction of a new high school building. This sum, together with ₱8,000, which has been apportioned from the Congressional relief fund to this province, will make it possible for the province to erect a very substantial building. The ten municipalities of the province contributed over ₱1,000 during the year for the purchase of a site of land for the high school. This site comprises over ten acres of fine land, all of which is well drained. It is located near a beautiful cocoanut grove on the main road leading from the town to the wharf, and can be made an ideal place for the school. The provincial board is now concluding the purchase of a few small lots which lie between the school land and the road. The whole tract will then be registered and work on the new building commenced. The municipality of Cagayán has offered to turn over to the province a large, well-constructed schoolhouse located near the proposed site to be used as an industrial shop.

Looking back over the aid given by all the towns of the province in support of the high school it can be said that they have done well. And it is no exaggeration to state that the people of the province have done as much in the support of the provincial school during the past year as was done in the entire three previous years for the primary schools of the whole province.

Inasmuch as the schools of Mambajao, 15 in number, were only recently opened, with an attendance of about 2,000, the above-mentioned statement does not give an absolutely accurate idea of the present condition. American supervising teachers were recently assigned to Jiménez and Lanigan and at present are devoting their whole attention to preparing native teachers. Barrio schools will probably be opened in these towns by the middle of September, with an anticipated attendance of about 1,000 pupils, the most of whom will be no higher than Grade I.

The prospects for the present school year are very gratifying. The work has suffered a year's interruption, but present conditions indicate that Misamis will soon take her place

alongside of sister divisions The class of American teachers sent to this division during the past year and up to the present time has been of a high quality. They are all hard-working and earnest teachers, and have adjusted themselves to the life work here with very little difficulty indeed.

It is recommended that three American teachers be sent to this division at the earliest date possible with a view to their assignment to Tagoloan, Balingasag, and Sagay.

Probably the greatest difficulty to be met this year is the matter of obtaining good native teachers. This is gradually becoming less difficult, and it is thought that by the end of the present year there will be a corps of satisfactory teachers in every town of the division.

The people of the province are thoroughly awake to the importance of learning the English language and are doing all in the interests of the public schools that can be expected from them. There is a state of absolute peace throughout the province, and the people are giving their undivided attention to schools. A request comes to this office from some barrio almost every week asking that school supplies and teachers be sent there. The most intelligent class in every town is very helpful toward public schools; the less-educated class is always willing to respond to any appeal for support of schools; and no class at the present time can be said to be in opposition to public schools. There has been a complete transformation in the division in this respect. Formerly the educated Filipinos not only held an attitude of indifference toward public schools, but they were also instrumental in having private schools opened in opposition.

The only disturbing element to contend with is the Jesuit padres. As has already been mentioned in this report, they have tried persistently in some towns to persuade the parents not to send their children to government schools. They have announced their intention to open a first-class colegio in Cagayán. It is charged that the Jesuits, in their effort to take children away from the public schools, have not only offered books gratis, but have also offered a bonus of ten cents to each child. They have also been active in El Salvador, a barrio of Cagayán, which had an enrollment in the public school last year of over 400. However, since the arrival of an American teacher in that town schools have been flourishing.

In spite of all that the Jesuits have tried to do against government schools, a friendly personal relation exists between them and the American teaching force. In the towns where false statements have been made against the public schools, the division superintendent has personally visited the people and reasoned the matter with them. Further than this nothing is done in opposing the methods of the Jesuit padres. As a result of these meetings with the people, a perfect understanding exists between them and the school authorities and full cooperation is realized.

No financial difficulties are anticipated during the present year. It is planned to properly equip the entire province this year in the matter of schoolhouses and furniture. The proposition is to spend ₱26,248.21 for schools, ₱13,107.59 of which will be used for the payment of teachers' salaries, ₱6,386.46 for repairing and constructing buildings, ₱5,977.62 for school furniture, and ₱466.54 for incidental expenses. Almost all school furniture will probably have to be purchased in Manila, where the cost is least. It is hoped that by the first of January all the districts of the division will be well equipped so far as buildings and furniture are concerned.

A normal institute for teachers will be opened November 1st at Cagayán and continue until the Christmas holidays. It is expected that at least 125 Filipino teachers and 50 aspirantes will be in attendance with a corps of 9 American instructors. This will be the first general institute ever held in this division, and rich results are anticipated.

DIVISION OF NUEVA ÉCJA.

The report for the school year 1904-5 for the division of Nueva Écija is rendered by Mr. T. W. Thompson, who has been continuously in charge of that province since September 1, 1901. This is an agricultural province, rice being the staple product. Large crops have during recent years put the municipalities in good financial condition, and, the people being in sympathy with the schools, there has been no bar to their rapid development, as shown in the following statistics:

In order to realize the progress that has been made and the growing interest in education, it is necessary to compare the past with the present. To do this intelligently I submit the following statements on enrollment, attendance, and number of teachers.

October, 1901:

Total enrollment.....	3,341
Average daily attendance.....	2,578
Number of American teachers.....	19
Number of Filipino teachers.....	44

October, 1902:

Total enrollment.....	5,065
Average daily attendance.....	4,013
Number of American teachers.....	22
Number of Filipino teachers.....	80

To this time the division included the provinces of Infanta, Principe, Nueva Vizcaya, and Nueva Ecija. They were separated shortly after this date and the figures following are for the province of Nueva Ecija alone.

October, 1903:

Total enrollment.....	2,893
Average attendance.....	2,495
Number of American teachers.....	13
Number of Filipino teachers.....	37

October, 1904:

Enrollment for the month.....	9,812
Attendance.....	7,896
Number of American teachers.....	16
Number of Filipino teachers.....	90

March, 1905:

Enrollment for the year.....	16,128
Enrollment for the month.....	11,596
Average attendance.....	7,937
Number of American teachers.....	15
Number of Filipino insular teachers.....	9
Number of Filipino municipal teachers.....	108

A comparison of the foregoing statistics shows an increase of enrollment of nearly 500 per cent during 1904-5 over 1903-4, and an increase of 318 per cent in the average daily attendance.

FINANCIAL CONDITIONS AND OUTLOOK.

As a result of the good rice crop and freedom from locusts and other pests there has been a decided improvement in the financial condition of all the larger pueblos. There is still great need for more money for schoolhouses and desks. The condition is emphasized by the fact that 55 schools are still held in rented buildings or buildings furnished free.

Only one pueblo incurred any indebtedness up to March 31, 1905, and this was paid before June 30. All pueblos, with two exceptions, now have on hand sufficient funds to cover teachers' salaries, but the majority have nothing for buildings or furniture. The total balance on hand in all municipalities, as shown in the table, is ₱16,359.45. On account of the increased attendance there is still great need of money for desks and houses.

SCHOOL FACILITIES.

There are still in the division 12 barrios without schools. Of these, however, 9 are so near other barrios which have schools that the children can attend school except during the worst weather conditions. This leaves only three barrios entirely without school privileges.

ATTITUDE OF THE PEOPLE.

Increased interest has been shown in all pueblos toward the school. This has been practically demonstrated by donations in land, material, and labor to the amount of ₱6,175. One pueblo, Gapán, increased the rate of land tax one-eighth of 1 per cent. During the next year several others will take the same course to increase the school revenues. The large increase in enrollment and in attendance are also an index to the feeling of the people.

INDUSTRIAL WORK.

The principal effort was in the direction of making school furniture. About 50 Filipino teachers were instructed in this work. Through their efforts it is hoped within two to four years to supply all schools with the necessary furniture.

GRADED AND INTERMEDIATE GRADUATES.

Except in a few of the remote barrios the pupils are very largely in the grades conforming to the course of study. There are, of course, occasional exceptions in individual cases in most of the schools.

Of the 12 pupils who passed the intermediate examination last March, 2 will go as government students to the United States, 2 are in higher schools in Manila, 1 is teaching, and 7 desire to continue in the secondary school. Of the pupils who passed the primary examination, it has been necessary to appoint 12 as teachers. With few exceptions all others are now in the intermediate schools.

PROGRESS OF FILIPINO TEACHERS.

Of the 9 insular Filipino teachers employed 7 have passed the civil-service examination. Four of the municipal teachers are qualified to teach the fifth-grade subjects, 30 the fourth-grade subjects, 49 the third grade, and 25 can teach only the first and second grades.

RECOMMENDATIONS.

It is believed that the schools would accomplish more if the vacation periods were made to coincide with the planting and harvest periods. Vacation should be given during July, December, and January, and the school sessions held during the other months.

In industrial training it is recommended that practical efforts be made along the lines that will increase the producing power of the people. These efforts should include the common manual arts, gardening, and agriculture, but should especially embrace instruction in the use of machinery in rice culture and the lumber industry, these being the two leading industries of this province.

The greatest hindrance to attendance at school is thrashing and cleaning the rice. This work keeps many of the large girls busy for six to nine months of the year. I believe that if a small thrashing outfit and huller were furnished for use in connection with the secondary school it would pay for itself in one year and be the means of educating not only the young men who work with it, but the older men to the value of machinery. Much more value would accrue to the people by the practical demonstration of the thrasher for one season than can possibly result from years of study and teaching without the machinery.

A small sawmill and rice huller could be operated with the same power when not in use with the thrasher, and would add to the subjects to be learned and be a profitable investment.

Among the causes which combine to make the future outlook bright are:

1. The largely increased attendance.
2. The growing regularity in attendance.
3. The increasing honesty, faithfulness, and success of the Filipino teachers.
4. The willingness of the people to burden themselves with greater taxes to support the schools.
5. The growing realization among the masses that the schools are for the good of all and that all classes have equal opportunities.

DIVISION OF NUEVA VIZCAYA.

Mr. J. J. Coleman, the division superintendent of schools for Nueva Vizcaya, was granted leave of absence to visit the United States July 8, 1904, and did not return until December 26, 1904. During this interval Mr. Norman G. Conner served as acting division superintendent. On May 31, 1905, Mr. Coleman was transferred to the division of Cagayán and Mr. Conner was given the superintendency. He renders the annual report for his province.

Nueva Vizcaya is the most isolated and difficult of access of all the provinces of the archipelago, particularly during the rainy season, when the trail is interrupted by innumerable swollen streams, which at times become altogether impassable. Its climate is, however, unsurpassed in the Philippines, and the attitude of its people toward Americans, and particularly toward the public schools, is such that American teachers assigned to that province have almost without exception become much attached to their work.

The industry of the people makes altogether impossible in Nueva Vizcaya such periods of famine as attack the population of certain provinces of the islands almost annually.

School work among the Igorrotes of this division is more directly under the supervision of Mr. J. W. Travis. He is also assigned to special duty as supervisor of Igorrote schools in Benguet and Lepanto-Bontoc.

At the beginning of this school year a division superintendent and three new teachers arrived. Shortly after three more teachers came. The schools were at once reanimated by this large addition, and in those towns where there had been no American teachers the improvement was magical.

The attendance during the past year left little to be desired. The total yearly enrollment was 2,428; average number belonging for year, 2,125; the average attendance, 1,831,

percentage of attendance, 84 per cent, excluding the school at Quiangan. Ever since the establishment of schools under the American Government this matter of attendance has given no trouble. The people send their children without any coaxing or much need to resort to the compulsory school law passed by every municipal council.

School gardens were started in every school of the province in August of last year, including the high school. The results accomplished were not great, but much interest was shown and taken by teacher, pupils, and parents. The fathers fenced and plowed the plots selected for gardens and in many other ways aided the work. The gardens were run on the plan of giving each pupil his little plot to care for. Teachers and pupils were required to keep notebooks on their work. The results, or lack of results, with the probable causes, were set down. One thing has apparently been demonstrated—the seeds furnished by the Bureau of Agriculture do not do well here. The best results were from native seeds.

Four of the gardens, including that of the provincial high school, compared favorably with the garden of the insular normal school, as seen last December.

The work was inconvenienced by the lack of suitable tools. This was helped in some degree by the action of the provincial supervisor, who loaned hoes and spades to the superintendent.

In the Bambang primary school bejuco basket making was begun in February last. Some good work was done. The necessary tools have not been obtained, however, and until they can be, not very much can be done. The class had been kept up, and as soon as the knives can be obtained, some very neat work can be turned out. No other industrial work was started. The high school has no room, as the two rooms in which it is placed are barely sufficient for the ordinary classes, and the two teachers were kept busy by the required work of the course.

No school fund, as such, exists in Nueva Vizcaya, as it is organized under Acts Nos. 337 and 387. All necessary school money is taken from the general municipal fund. There has been no lack for salaries of teachers. All other school expenses, as building of barrio schools, repairs, transportation of school supplies, are met by voluntary labor. The only exception to this last year was in Solano where a building was rented two months for ₱20 and ₱25 was expended for repairs, and in Bambang, where ₱600 was expended for the purchase of a house for the municipal school. The remodeling and enlarging, even here, were done by the people of the town, every able-bodied man, consejales and all, giving voluntarily two days of labor every week until the work was finished.

Every schoolhouse in the division is the property of the municipality in which it is.

The municipal revenues, under Act No. 1189, are about the same as formerly, so there will continue to be sufficient money to meet the necessary expenses of salaries of teachers. In the last fiscal year the amount for salaries was ₱4,499.

Happily, such questions as private schools, religious troubles, interference with teachers by justices of the peace or by parents have never arisen in this division.

The provincial high school made excellent progress, although it suffered somewhat from several unavoidable changes of teachers. The course of study adopted in April, 1904, was very little different from the prescribed courses, hence but little difficulty was experienced in rearranging the work to conform to the regulations.

IGORROTE SCHOOLS.

The work among the Christians of the province should be of no more consideration than work among the Igorrotes, who comprise three-fourths of the total population. To date, very little has been done among them.

The Quiangan Igorrote industrial school was begun March 1, 1904. A good primary school was soon organized, with an attendance limited only by the size of the building in which the classes were conducted, a schoolhouse erected by the Spanish friars. Excellent work was done in the English branches, but nothing in the industrial line except a garden and some straw weaving. Smallpox broke out in June, 1904, and in August, just as materials for sewing class and for wood working arrived on the ground.

Two native teachers, a man and a woman, were sent this year to Quiangan to assist in the industrial work. Excellent work in the English branches, very good work in sewing and in bejuco working has been and is being done, but the same unfortunate condition of affairs, lack of money for buildings, is preventing the more important industrial work, iron and wood working, and increased attendance.

As to the value of industrial schools for such a people, the great aid they are in establishing government, there is no chance for argument. If the non-Christian people of Nueva Vizcaya are to be civilized, industrial schools are of prime importance. It will readily be admitted by those who have seen, say, for example, the difference between those rancherias of Quiangan in which the friars established their school and the other rancherias, that a thousand pesos spent in sensible common school and industrial education will in a comparatively short time save tens of thousands of pesos which would have to be spent for police.

It must not be supposed that Quiangan is the only district of Nueva Vizcaya Igorrotes. Cababuyan, Benaue, Cambulo, Sapao are districts inhabited by Igorrotes of the same tribe as those of Quiangan, and all have about an equal or a greater number of people and are of equal importance. Schools should be established in Benaue and Sapao as soon as possible. I venture to say that a finer tribe of Igorrotes than these, well built physically, industrious, brave, and self-reliant, does not exist in the archipelago. They are worthy of hard work, and money spent here for schools will not be spent in vain.

The districts lying to the east of these above mentioned are inhabited mainly by Silipanes and Mayayaos, who are an inferior and more savage race than the Quianganes. They do not cultivate rice, frequently suffer from famines, live in smaller and more scattered rancherias, and work there would be less fruitful than among the others.

In any case, no more schools should be begun until that of Quiangan is well established, as one good school would be worth more than half a dozen in the present condition of the Quiangan school.

The southwestern part of the province is inhabited by a tribe of Igorrotes known locally as the Isinays. They must not be confounded with the Christian Isinay, which is an entirely different people. The Isinay Igorrotes resemble physically, in habits, and in language those of Benguet. They live in many small rancherias, and their number is placed by the census at 2,700. Due to the fact that they are distributed so sparsely, no schools can profitably be established among them until they are persuaded to round up into pueblos of some size.

The Ibilao or Ilongotes, who live in the southeastern part of Nueva Vizcaya, are estimated at 698, and are a more savage Igorrote than any; few in number, poor, scattered in tiny rancherias, each district at drawn bow with its neighbors, the only way in which they could be reached by schools would be to persuade them to come into the Christian towns or to send some of their children in.

Probably no other province has so many greatly differing tribes, each and all of great interest. The large majority are worth saving, and can be improved, at least, by schools.

Any report would be incomplete which did not give credit to the hard and faithful work of the American teachers during the last school year. Due to the change of time of the long vacation, before mentioned, these teachers worked uncomplainingly from two to five months more than is required. For this extra time they received no extra compensation, not even in the form of sick leave. All of them, new men from the States, took hold of the work with enthusiasm, and adapted themselves readily to the difficulties of living in so remote a province.

DIVISION OF OCCIDENTAL NEGROS.

Mr. Charles E. Putnam renders this report. He has been division superintendent of Occidental Negros since June 10, 1903. On June 13, 1904, he was granted leave to visit the United States, and was absent from his division until January 1, 1905. During his absence the schools of the division were under the charge of Mr. W. K. Bachelder, as acting division superintendent.

Occidental Negros is one of the more prosperous provinces, and it has been possible to place educational work there upon a substantial footing.

Public schools under American supervision have been organized in the various pueblos of this province from one to four years. Those of Cauayan, the last pueblo to have them, were organized during the first weeks of 1904.

AIMS FOR SCHOOL YEAR 1904-5.

Our special aims for the year have been:

- (a) To secure a larger attendance, first, by securing a higher percentage of attendance; second, by organizing more barrio schools where the children of the laboring class could attend, especially those employed on the haciendas.
- (b) To perfect the organization of our schools and to grade the pupils according to the suggestive course of study.
- (c) To increase the efficiency of the native teachers.
- (d) To inaugurate a satisfactory system for regulating the use of school funds.

DIFFICULTIES.

In our efforts to accomplish the above we have met with the following difficulties:

- (a) Natural dislike of the Filipino teacher and child for continued effort.
- (b) Poverty of the people.

- (c) Misconception of education and undervaluation of same by parents and children.
- (d) Scarcity of school funds.
- (e) Poor administration of the office of the provincial treasurer.

PUEBLO SCHOOLS.

The sessions of the pueblo schools of this division during the last school year have been as follows: July 13, 1904, to December 24, 1904, and January 30, 1905, to March 31, 1905.

July is the principal rice-planting month, while November and December are the principal rice-harvesting months, and the attendance during these months is always irregular. If the schools could be in session during January, February, March, April, May, June, August, September, and part of November the average daily attendance for the year would be much larger and the percentage of attendance much higher.

ATTENDANCE.

The attendance has gradually increased, as may be seen from the following: July, 1904, 6,410; September, 1904, 8,518; March, 1905, 11,983.

The following will show the gradual increase in the attendance in the division during the last four years: March, 1902, 2,507; March, 1903, 5,515; March, 1904, 7,293; March, 1905, 11,983.

The pupils have become much more regular in attendance and the percentage of attendance has gradually risen. This may be seen from the following percentage of attendance: July, 1904, 78; September, 1904, 72; February, 1905, 85; March, 1905, 86; June, 1905, 87.

In some pueblos truant officers are still used, while in others these are unnecessary.

NEW SCHOOLS ESTABLISHED.

As school funds and conditions have permitted, new schools have been established; some in barrios where it was believed that an average daily attendance of 60 could be secured easily, others on haciendas where the owner was favorable to schools and would furnish a building with benches free of cost to the pueblo. Special attention has been given to the establishment of hacienda schools in order that we might reach a part of the great mass of children of the poor and ignorant hacienda hands. As a result of our endeavors in this direction since June, 1904, schools have been established on fourteen haciendas.

GRADING OF PUPILS.

Special attention has been given to explaining the suggestive course of study to the native teachers and to the classification of pupils into grades, as outlined therein.

TEACHERS.

In March, 208 teachers were working in this province. Of these, 30 were American teachers, 13 were Filipino insular teachers, 158 were municipal teachers, and 7 were apprentices. Twenty of the American teachers were supervising, 2 were teaching in primary grades, and 8 were teaching in the Rizal Institute. Of the Filipino insular teachers, 1 was acting supervisor, 2 were teaching in the fourth grade, and 10 were teaching in primary grades. The municipal teachers and apprentices were all teaching in the primary grades. A large majority of these have now passed the examination for the completion of the primary course of study. During the coming year an effort will be made to secure the services of several more apprentice teachers.

It is believed that the American teachers now in this division without exception have worked earnestly and conscientiously, and have endeavored to meet the wishes of the department in every respect. A large majority of the Filipino teachers have done likewise, but it has been necessary from time to time to replace some of the older municipal teachers with those who have received practically all of their education in schools under the supervision of an American teacher.

TEACHERS' CLASS.

A portion of the time of the teachers' class has been devoted to the explanation of the suggestive course of study and to the study of methods of teaching. As a result of this and of more continuous and systematic supervision by American teachers, the efficiency of our Filipino teaching force has greatly increased.

MUSIC.

Ever since our schools were opened in this province some instruction has been given in music. Usually this instruction had little educational value, as the teachers had but a vague idea of the subject. At the beginning of the last school year Mr. Carl B. Crabtree was appointed supervisor of music and has since had general supervision of this work in the province. He has taught music in the Rizal Institute and has made several trips through the province for the purpose of inspection, supervision, and teaching.

During the last normal institute special attention was given to preparing the native teachers to give the desired instruction in music; and since that time a marked improvement has been noticed. Both teachers and pupils like this feature of the work, and we expect to give it due prominence during the coming year. (See Rizal Institute, "Music.")

MANUAL TRAINING.

The manual training department of the Rizal Institute is provided with a large, suitable room and a good supply of workbenches and tools. Under the instruction of Miss Woodsum much progress was made by the pupils, who, as a whole, enjoy the work. The parents of the pupils look upon this instruction with favor and are very enthusiastic over the prospect of the enlargement of this department into a school of arts and crafts.

In the schools on the hacienda of Señor Juan Araneta three native women are teaching each class one period a day to make hats, baskets, cigarette cases, etc. Whittling trays, knives, squares, etc., have been furnished to the central school in Silay, and the pupils there are now beginning to learn to work with wood.

NEW SCHOOL BUILDINGS.

At the beginning of this school year there were in this division 33 schoolhouses owned by the government. Thirty-four more buildings owned by private persons were used as schoolhouses. During the year 21 new schoolhouses have been built, so that now 54 are owned by the government. Five of the old schoolhouses have undergone extensive repairs and 5 more new schoolhouses are in process of construction.

LOCAL SCHOOL BOARDS.

Members of local school boards have recently been reappointed in the various pueblos of the division, and the teachers have been requested to cooperate with them as much as possible. This office has endeavored to interest the members of these boards and to keep in touch with them by sending each a Spanish copy of the monthly school bulletin and such publications as have been furnished this office by the department. In many of the pueblos these school boards have been of assistance to us.

PROVINCIAL SECONDARY SCHOOL.

The provincial secondary school is housed in two large, comfortable buildings, which are connected by a covered passage. Part of one of these buildings is used as a girls' dormitory, and part of the other as a boys' dormitory. The parts of each which are not used as dormitories are used as class rooms. While these buildings are ample for present use, it will soon be necessary to secure more commodious quarters.

During the first two years of the existence of the Rizal Institute, a knowledge of English was not a requisite for admission. Any pupil over 12 years of age, who had sufficient general intelligence to profit by the instruction given, was allowed to enter. Since then the requirements for admission have been gradually raised; now no pupil is admitted who can not do third-grade work to advantage. It is our intention at the opening of the next school year to admit no primary pupils.

Although the requirements for admission have been raised, the attendance has gradually increased. The following table shows the enrollment in March of each year since the beginning:

Enrollment.	Girls.	Boys.	Total.
March, 1902.....	54	27	81
March, 1903.....	57	38	95
March, 1904.....	136	78	214
March, 1905.....	156	95	251
July, 1905.....	200	115	315

SECONDARY SCHOOL SITE.

During the school year 1903-4 our provincial board secured a loan from the insular government of \$10,000 for the erection of a secondary school building. Plans for such a building, approved by the bureau of education, were secured from the bureau of architecture, and a site of over 7 acres located in Bacolod and valued at 2,000 pesos, was offered by the people of that pueblo. The offer of the site was accepted by the provincial board, and the pueblo authorities began to solicit contributions to pay for same. Five hundred pesos were paid toward the site from the school funds of Bacolod and the other 1,500 pesos were raised by subscription and by entertainments. The last payment has been made and the deed has been delivered to the division superintendent.

In addition to the site, the people gave several hundred "cavanes" of stone, which have been conveyed to the site at the expense of ₱1,871.77. Of the provincial fund for the erection of the secondary school building there still remains ₱18,127.23.

SCHOOL OF ARTS AND CRAFTS.

It is understood that the general superintendent of education, with the approval of the secretary of public instruction, has set aside ₱8,000 for the erection of a school of arts and crafts as soon as the title to the new secondary school site is vested in the government. The people of the division are very anxious to have this school in operation as soon as possible, and it is hoped that work can begin on the same within a few weeks.

Twenty-five good first-group timbers and sufficient iron for the roof have been donated for this school by the different pueblos.

MUSIC IN THE RIZAL INSTITUTE.

Mr. Carl B. Crabtree, supervisor of music for this division, has had personal charge of the music in this provincial school during the last few months. Great progress has been made, especially in tone and time work. A glee club of mixed voices, a boys' mandolin and guitar club, and a girls' mandolin and guitar club have been organized. The members of these are taking a great deal of interest in the work and are planning to give an entertainment in order to raise money with which to pay for their instruments. A glee club of male voices will also be organized soon.

COST OF RIZAL INSTITUTE TO PROVINCE.

During the past year the province expended for the Rizal institute approximately as follows:

Rent one building 12 months, at ₱150 per month.....	₱1,800
Rent one building 10 months, at ₱150 per month.....	1,500
Salary "administradora" (girls' dormitory).....	810
Salary "administrador" (boys' dormitory).....	120
Twenty-five desks with benches.....	200
Janitor and incidentals (estimated).....	450
Deficit boarding pupils, due to bad management, about.....	1,000
Total.....	5,880

At the beginning of this school year rents were reduced and other changes were made in the administration, so that the cost this year is estimated as follows:

Rent one building 12 months, at ₱100 per month.....	₱1,200
Rent one building 12 months, at ₱120 per month.....	1,440
Administradora, girls' dormitory, at ₱70 per month.....	840
Janitor, at ₱15 per month.....	180
Incidentals, about.....	150
Total.....	2,810

NEEDS OF THE RIZAL INSTITUTE.

- (a) To be housed in suitable modern buildings owned by the province.
- (b) An efficient manual training teacher; man preferred.
- (c) Laboratory facilities for the study of elementary sciences.
- (d) A school of arts and crafts.
- (e) Text-books for prescribed course for second-year high school.
- (f) A circulating library for pupils.

NORMAL INSTITUTES.

Two normal institutes were held in this division at the same time—one at Bacolod and the other at Ginigaran—from January 3 to January 27, 1905. Mr. H. H. McKee was principal of the Bacolod normal, and Mr. W. K. Bachelder of the Ginigaran normal. Music, methods, and English were made special features of each.

Never before had two normal institutes been held in this province at the same time. However, the holding of a separate normal in the southern part of the province proved to be a great success, and has been the cause of greatly increased interest there. Plans have been made to hold two institutes again this year, during the months of November and December, and to continue them in session six weeks in place of four.

Five hundred and thirty-two teachers and aspirantes attended the last normals, although the Rizal institute continued in session with an average daily attendance of 207 pupils. On the basis of former years this would make an average daily attendance at the last normal of 739 pupils.

OFFICE OF DIVISION SUPERINTENDENT.

During the past year an effort has been made to improve the method of keeping records in this office. A card-record system for filing correspondence—one for the service record of insular teachers, one for property records, and one for school finances—have been introduced. These systems require the personal attention of the division superintendent and cause him to devote much time to office details, but are more satisfactory than those formerly used.

On February 1, 1905, by act of the Philippine Commission, the division superintendent of Occidental Negros was made a member of the provincial board. As a result, the division superintendent has become a more prominent factor in the province and his requests are more promptly complied with. On the other hand, his work has been practically doubled and his position has become much more difficult to fill satisfactorily, because of the fact that politics enters into nearly all of the provincial board business here. In the opinion of the undersigned, the division superintendent should not be made a member of the provincial board of this province, because of the political situation. If he is made a member of the provincial board, he should be given a clerk that can relieve him of the greater part of the office work.

RESULTS OF THE YEAR'S WORK.

- (a) The schools have become a more prominent factor in the municipality.
- (b) An increased interest has been aroused among local officials, teachers, parents, and pupils.
- (c) All private schools of note, except one in Silay, have been closed. These have been discontinued by the private school-teachers because of the growing popularity of the public schools.
- (d) Twenty-one government schoolhouses have been erected with rice or by subscription.
- (e) Thirty-six new schools have been established in barrios and 14 on haciendas.
- (f) Attendance has been greatly increased.
- (g) Greater regularity of attendance has been secured.
- (h) Music instruction in the province has been systematized and greatly improved.
- (i) A satisfactory method of auditing the collections and disbursements of school funds has been put into operation.
- (j) The division has been redistricted so as to make the districts more compact, and thus enable more complete and continuous supervision of municipal teachers.
- (k) Card-record systems have been introduced into the office of the division superintendent.

DIVISION OF ORIENTAL NEGROS.

From the beginning of the school year until April 2, 1905, Mr. W. S. Dakin served as acting division superintendent of Oriental Negros. He was succeeded by Mr. J. Edgar Corley, who, on June 1, 1905, was given permanent appointment to the superintendency. Owing to depressed agricultural conditions and to the violent opposition of religious factions in various sections of the province the schools have not prospered well in this division. Prospects at the end of the year under the new superintendent are more favorable than during the previous months.

GENERAL CONDITIONS.

The jealous parties into which the people are divided, religiously and politically, do not help in the development of the education of the people.

Smallpox and famine have cut down the attendance in some of the towns to a great extent. Now, as the corn harvest is coming on, the famine will pass, and I shall expect the attendance of the municipal schools to materially improve, but it may be some time before the former attendance can be regained.

PRIMARY SCHOOLS.

I believe that a conservative comparison would place the primary schools here at least a year behind the primary school work with which I am acquainted on Luzon.

The pupils appear to be as capable as those of other parts of the islands, and I believe that with better organization of the school work, more system, more practical methods, and sufficient school supplies and buildings the already good results may be made as excellent as they could be in any section.

School attendance, by towns, for 1904-5.

Town.	Monthly enrollment.	Average attendance.	Percentage of attendance.	Ratio of attendance to population.	Number of schools.
Ayuquitan.....	482	392	81	1 to 29	5
Bacon.....	555	485	87	1 to 21	4
Bala.....	1,055	639	61	1 to 26	8
Dauin.....	181	139	77	1 to 117	2
Dumaguete.....	565	397	70	1 to 66	6
Guifulugan.....	585	435	74	1 to 34	5
Lacy.....	1,238	845	68	1 to 19	10
Larena.....	1,153	709	61	1 to 16	3
Luzuriaga.....	439	313	71	1 to 32	4
Siaton.....	190	131	69	1 to 78	2
Siquijor.....	2,552	2,248	88	1 to 9	8
Tanjay.....	172	127	74	1 to 114	1
Tayasan.....	459	347	77	1 to 38	6
Tolón.....	114	93	82	1 to 66	2
Total.....	9,740	7,300	76	1 to 28	66

The low attendance in the town of Dauin is said to be due to the attitude of some of the municipal officials of that town, especially to the weakness of the municipal presidente. He has promised to interest himself in the future and assures me that the attendance will materially increase. In the town of Tayasan it seems that school interest has never been as great as it has been and is in most towns. In Siaton the teaching force consisted of 1 American and 3 municipal teachers. From the records of this office, and from what I have been able to learn about him, it appears that the American teacher who was there is wholly unfit for the supervisorship of schools. Tolón is a remote pueblo, in which there has been but one American teacher, and he was there for a very short time only. During the last year there were two municipal teachers in that town, but it seems that neither of them was strong enough as a teacher to create much interest in the school work. In Dumaguete there were assigned some very good Filipino teachers, and they have been under the direction of American teachers all along. There were a number of schools, and the town is provided with several good school buildings. But the attendance is very low, and it seems that it is due to the dissensions of the people centered in this town, and it is evident that the local leaders are not properly encouraging the public instruction.

In instances it seems that the school funds have not been well appropriated. To guard against the misdirection of these funds the plan introduced by Division Superintendent Turner has been arranged between the acting provincial treasurer and myself. With this arrangement in operation I shall expect to get the school finances of the province much improved. There will be some objection, naturally, to the introduction of this plan into the work here. I believe that this is partly due to a misunderstanding, or a lack of understanding, of the object of the plan, and I do not doubt that it will be accepted for its true object as soon as I can see the municipal officials and the teachers or communicate with them further regarding the purpose of this arrangement and the authority for it.

Only a small part of the land tax has been collected, and not until July 1 was any part of the internal revenue available. For example, the town of Dumaguete, the capital of the province, with a population of about 23,000, from January 1 to July 1 had collected for school purposes ₱337.08 of an estimate of ₱5,000. The internal revenue available to the same date was ₱150.66. Dauin, with a population of more than 15,000, had collected in all for school purposes in the same time ₱28.63, and here no internal revenue had become available. The presupuesto for this town was more than ₱2,000.

With reference to the table following it should be noted that there is said to be a number of claims for "incidental" expenditures made by municipal presidentes of which there is no record in this office. I do not know the number of these, nor have I any idea of the amount of such claims. To protect the school funds I have issued a circular letter that all such claims when presented to this office for approval should be accompanied by receipts to cover all the items of the voucher and a sworn statement to the effect that the labor, materials, etc., have been appropriated for the schools as set forth in the voucher. The first presidente to present a claim made objection to furnishing this office with proof, claiming that it was a reflection upon the honor of the presidente of the town; but upon being shown that the object was a matter of protection to the superintendent in giving his approval, he produced receipts to cover the purchases made, gave his certificate, and professed to be satisfied, and promised to assist in the future in satisfying this office with evidence that all claims presented are bona fide.

Statement of finances, July 1, 1904, to June 30, 1905.

Town.	Total available.		Total expenditures.	Actual balance.	Unaccounted for.	
	Balance June 1.	Receipts.			Receipts.	Expenditures.
Ayuquitan.....	P 42.32	P 520.90	P 580.66	P 151.88	P 169.32	
Bacon.....	34.21	1,243.86	1,048.50	206.87		P 22.70
Bals.....	1,975.07	4,297.01	3,717.86	1,405.64		1,148.58
Dauln.....	226.65	347.82	233.90	190.81		149.58
Dumaguete.....	25.32	1,469.17	1,500.99	26.29	83.43	
Guijulugan.....	1,212.94	727.11	1,340.92	211.32		387.81
Lacy.....	438.70	1,069.24	1,193.59	188.24		126.11
Larena.....	15.95	783.80	692.40	99.66		7.69
Luzuriaga.....	3.60	906.58	778.77	262.47		395.88
Siaton.....	313.12	984.91	148.65	1,409.74	260.36	
Siquijor.....	118.80	1,908.17	1,159.41	30.40		897.96
Tanjay.....	33.18	617.76	512.12	119.23		19.59
Tayasan.....	362.26	773.59	876.56	259.31		.98
Tolón.....	399.41	282.73	267.50	434.66		20.02
Total.....	5,176.21	15,032.65	14,061.83	4,492.33	513.11	3,077.08
Less deficit.....	25.32			392.87		
Total, less deficit.....	5,150.89	15,032.65	14,061.83	4,099.46	513.11	3,077.08

School expenditures for the year July 1, 1904, to June 30, 1905.

Town.	School building.			Salaries of teachers.	Purchase and repair of furniture.	Transportation and supplies.	Incidental.
	Construction.	Repair.	Rental.				
Ayuquitan.....			P 42.00	P 538.66			
Bacon.....				1,048.50			
Bals.....	P 1,655.65	P 23.57	38.67	1,999.97			
Dauln.....			28.00	201.00		P 4.90	
Dumaguete.....		107.49	35.00	1,358.66			P 1.84
Guijulugan.....				1,290.92	P 32.50	17.50	
Lacy.....		60.00		1,131.59		2.00	
Larena.....				692.40			
Luzuriaga.....		78.00	10.66	692.11			
Siaton.....			28.00	119.50		1.15	
Siquijor.....		161.36		998.05			
Tanjay.....		2.68		506.94		2.50	
Tayasan.....				876.56			
Tolón.....				267.50			
Total.....	1,655.65	431.10	182.33	11,720.36	32.50	28.05	1.84

Present condition of the municipal school funds.

Town.	Outstanding obligations.			Cash on hand June 30, 1905.	Present condition.	
	Unpaid teachers' salaries.	Borrowed and unpaid.	Total unpaid ob- ligations.		Cash surplus.	Liabilities less cash balance.
Ayuquitan	₱ 389.71		₱ 389.71	₱ 151.88		₱ 237.83
Bacon	313.00	₱ 582.50	895.50	206.87		688.63
Bais	691.93	2,948.84	3,640.77	1,405.64		2,235.13
Dauin	224.13	86.93	311.06	190.81		120.25
Dumaguete.	650.45		650.45	26.29		624.16
Guifulugan	171.21	93.19	264.40	211.32		53.08
Lacy	277.01		277.01	188.24		88.77
Larena	335.87	23.00	358.87	99.66		259.21
Luzurlaga	305.44	302.72	608.16	262.47		608.16
Slaton	177.23	41.67	218.90	1,409.74	₱ 1,190.84	
Siquljor.	784.28	761.73	1,546.01	30.40		1,546.01
Tanjay	182.16	332.50	514.66	119.23		395.43
Tayasan	377.74		377.74	259.31		118.43
Tolón	114.83		114.83	434.66	319.83	
Total	4,994.99	5,173.08	10,168.07	4,703.65	1,510.67	6,975.09

This table is to show the amounts available from the land tax and the internal revenue for each municipality from January 1 to June 30, 1905, and also a comparison of these collections with the annual school "presupuesto" for the present year. It should be noted that nearly all of the land-tax collections are for 1903 or 1904.

Town.	Amount "presupuesto," 1905.	Amount of land tax collected January 1 to June 30.	Internal revenue available January 1 to June 30.	Difference between "presupuesto" and collections.
Ayuguitan.....	₱ 1,471.15	₱ 97.40	₱ 67.03	₱ 1,306.72
Bacon.....	1,330.88	312.29	.....	1,018.29
Bais.....	8,863.72	342.74	105.40	8,415.58
Dauin.....	2,166.20	28.64	.....	2,137.56
Dumaguete.....	5,106.57	387.08	150.66	4,568.83
Guifulugan.....	2,112.00	457.52	.....	1,654.48
Lacy.....	2,260.69	602.60	.....	1,658.09
Larena.....	725.12	7.95	67.56	649.61
Luzurlaga.....	1,550.00	81.33	.....	1,468.67
Slaton.....	2,103.59	109.80	164.67	1,829.12
Siquljor.....	1,687.28	538.50	.....	1,148.78
Tanjay.....	1,353.63	45.21	76.89	1,231.53
Tayasan.....	2,509.10	200.89	81.38	2,286.83
Tolón.....	2,506.05	218.97	.....	2,287.08
Total.....	35,805.68	3,430.92	713.59	31,661.06

From the above it may be shown that the amount of land tax paid for the support of the public schools during this period is about $1\frac{1}{2}$ centavo to the inhabitant. In Larena it was only ₱7.95, while in Dauin it was about one-eighth of a centavo per each inhabitant.

RECOMMENDATIONS.

I desire especially to recommend that some teacher or teachers with special training be assigned to this division. They are needed particularly in the secondary work, and the qualifications I would prefer are a knowledge of music and art and technical and practical training in agriculture and industrial work. It appears that no such work has ever been undertaken here to any extent. I am confident that good results could be obtained from more of this kind of work, and I am sure that it is very necessary to give it more attention in our schools. The inculcation of principles of industry will be of inestimable advantage to the Filipino people.

I believe that the adoption of English as the official language should be effected as early as possible—that is, at once. There seems to be no great advantage in postponing the date for making English the official language, and there are undoubtedly many very important reasons for the early adoption of it as official. It surely would be a great aid in the work of education here. The opposition to the adoption of English now comes from those who would oppose it ten years hence, and they represent, as a whole, an element not

in sympathy with the majority of the Filipinos. I believe that if the general good of the Filipinos is to be considered no serious attention should be given to this element.

In this connection, another thing needed in some instances is some authority to combat poisonous influences and prejudice to which the common, ignorant people here are sometimes so much exposed and to which they become victims. Religious quarrels, fanaticism, or the misleading influence of some few who are not in sympathy or accord with the object of the government—if not out and out opposed to it—may not only obstruct the government in its effort to enlighten this people, the mass of the Filipinos, but may defeat its purpose in more ways than one.

I would suggest that any town in which there is sufficient school building accommodation, where the teaching force is large enough to teach all the pupils not exempt from attendance upon the recommendation of the division superintendent, and subject to the approval of the general superintendent, be authorized to make and enforce compulsory attendance ordinances. The attendance need not be at the public schools, but should be at some place that would be a school in more than name only.

I would suggest further that municipal school boards be given authority over private primary schools to the extent of making some requirements for teachers and exacting some hygienic conditions for the buildings in which such schools are taught. We need all the good schools we can get, and private schools of merit should be encouraged; but if these schools are to serve only as an obstruction to the enlightenment and advancement of the people they should not be tolerated.

DIVISION OF PAMPANGA AND BATAÁN.

The former division superintendent of schools for Pampanga and Bataán, Mr. W. A. Preuitt, was in the United States on leave of absence during the first months of the school year. He returned to the Philippines on September 7, 1904, and continued as division superintendent until ill health forced him to resign on January 29, 1905. During Mr. Preuitt's visit to the States Mr. J. M. Gambill served as acting division superintendent and he was again appointed to this position upon Mr. Preuitt's resignation. On April 14, 1905, Mr. George N. Briggs, formerly division superintendent of schools for Surigao, was given the superintendency of Pampanga and Bataán.

Pampanga is a rich agricultural province, producing both rice and sugar. The people are well disposed toward educational work, school revenues are reasonably ample, the American teaching force is of longer standing than in most divisions, and the Filipino teachers have reached a higher state of proficiency, having been under longer and more regular and intelligent direction than in many other provinces.

Bataán Province, in the early days of the bureau, was, for a few months, oversupplied with American teachers. Their number was very soon depleted through transfers and resignations, however, and for two years prior to the current school year portions of Bataan were without direct school supervision.

Excerpts from Mr. Briggs's annual report follow:

LAND TAX.

No towns of the 24 in the division have levied more than the one-fourth of 1 per cent on the valuation of land and improvements as required by law. However, a number have made appropriations from time to time from the general funds, the largest amount having been appropriated by Balanga, ₱5,000, for the purchase and remodeling of a residence building for the primary schools in that municipality.

INDUSTRIAL WORK.

An industrial school along the lines of woodworking, carpentry, and cabinetmaking is now in session at Bacolor in a fine, large stone building, which, with some repairs shortly to be made, will make it one of the most suitable buildings for industrial work in the islands.

There are 109 enrolled in charge of 4 American teachers, 2 of whom teach English and other academic subjects, 1 mechanical drawing, and 1 has charge of the shopwork.

I believe industrial work of the character undertaken is to be one of the chief branches of our educational effort.

Another industrial school is established at Apalit, and its especial subject is ironworking instruction, although enough carpentry is taught in connection to assist the pupils to carry out successfully any ironworking efforts they may be called upon to undertake in connection with which a knowledge of carpentry is essential.

The present enrollment of this school is 62, in charge of 3 American teachers, 1 of whom teaches the English and other academic work, 1 mechanical drawing, and 1 the shopwork.

The students and adults of the community manifest a very decided interest in the industrial work. The money with which the site was purchased was raised by contribution and the 4-room building was built with money appropriated from the general funds of the municipality. Recently voluntary contributions have been made by the citizens of Apalit to make some needed improvements and alterations in the building and grounds.

PROVINCIAL APPROPRIATIONS.

Rent of building for Pampanga provincial high school.....	₱678.00
Janitor for Pampanga provincial high school.....	48.00
Rent of building for normal institute.....	50.00
Desks, etc.....	266.50
Incidentals.....	19.55
Total Pampanga.....	1,062.05

In this connection it may be said that within the province of Pampanga private subscriptions are being made toward raising a fund of ₱15,500 to put with ₱12,000 set aside from the Congressional relief fund for the purpose of building a provincial school building at San Fernando on a tract of about 12 acres of land recently purchased for that purpose and for repairing the present intermediate and trade school building at Bacolor, while in the province of Bataan ₱5,000 is being raised by contributions to put with ₱6,000 from the insular government to build an intermediate school building at Balanga.

In practically all the schools of the division the course of study is being very closely followed. Of course, having been in operation so short a time, there are little variations in different classes in different schools, which time alone can remedy.

INTERMEDIATE GRADUATES.

In June last year 11 pupils graduated from the intermediate course in the division, the entire 11 being from the intermediate school at San Fernando.

Of the 11, 2 are girls and 9 boys, ranging in age from 16 to 23, the 2 girls each being 18 years of age.

Of these 11, 4 have passed the scholarship examination for appointment as students in the United States, and will in all probability be appointed, 4 at the present continuing their studies in the insular normal school at Manila. Six have expressed themselves as being desirous of taking courses leading to the profession of civil engineer, 3 to that of teaching, 1 medicine, and 1 law.

SCHOOL GROUNDS.

A very decided interest is being manifested on the part of officials, parents, pupils, and teachers in the matter of beautifying the school grounds. Unfortunately many central and barrio schools are so situated that there are no grounds to beautify, nor is it possible at present to secure any. In locating schoolhouses in the future a sufficient plat of ground will be secured in each case to make at least a good playground, which may be properly laid out. At present, where it is possible, in both central and barrio schools, the grounds have been laid out, flowers, shrubs, and trees have been planted, and the pupils take a most decided interest in seeing that the grounds are properly kept.

The benefit to the pupils, as well as the community at large, is already evident from their added interest in the school and a desire to beautify their own yards at home.

OFFICIAL EXAMINATIONS.

The question of the official examination for promotion from grades 3 and 6 has, to a large extent, been satisfactorily solved. However, there are two points which it might be well to further consider:

First. The question of a midyear examination and promotion. Of course, the shorter the period of time between classes the better the classification of pupils. It is a question whether we have yet reached the time when we can have half-year promotions, thus having classes only one-half year apart instead of an entire year. If we have, that step should be taken; and if we have not, our endeavor should be to reach that point.

Second. The official examination for promotion for grades 3 and 6 should by all means be early enough to permit the marking of the papers before the end of the term, thus allowing the issuance of the certificates at the close.

The graduation from these grades should be made an epoch in the child's life and its importance duly impressed upon him, and this can be largely assisted by regular graduation exercises with the issuance of the official certificates at the close of the term.

It is most respectfully urged that this matter be given due consideration before the end of the present school year.

Amounts given to education, 1904-5.

Town.	Land.	Labor.	Materials.	Money.	Total.
Pampanga:					
Apalit.....			P 5.00	P 454.27	P 459.27
Arayat.....	P 200.00	P 100.00	100.00		400.00
Bacolor.....			111.00	280.55	391.55
Candaba.....				51.60	51.60
Florida Blanca.....		10.00		20.10	30.10
Lubao.....	40.00	30.00	90.00		180.00
Mabalacat.....				238.60	238.60
Macabebe.....				11.35	11.35
Mexico.....	300.00	250.00	400.00	202.81	1,152.81
Pórac.....		150.00	75.00	40.00	265.00
San Fernando.....	65.00	65.00	185.00	785.00	1,100.00
San Luis.....	175.00	200.00	500.00	374.32	1,249.32
Total for Pampanga.....	780.00	805.00	1,466.00	2,453.60	5,504.60
Bataán: Balanga.....	4,000.00				4,000.00
Total for the division.....	4,780.00	805.00	1,466.00	2,453.60	9,504.60

Report by towns of teachers and salaries.

Town.	Filipino teachers.			Average salary.			Amount expended for salaries.		
	Male.	Female.	Total.	Male.	Female.	Total.	Male.	Female.	Total.
Pampanga:									
Angeles.....	2	3	5	P 32.50	P 31.66	P 32.00	P 837.68	P 1,228.26	P 2,065.94
Apalit.....	4	4	8	35.00	20.00	27.50	1,754.25	1,078.92	2,833.17
Arayat.....	10	4	14	21.49	17.50	20.35	1,870.16	641.84	2,512.00
Bacolor.....	10	2	12	27.50	27.50	27.50	3,214.85	642.97	3,857.82
Candaba.....	6	2	8	23.33	22.50	23.12	1,278.40	359.10	1,637.50
Florida Blanca.....	6	2	8	17.50	20.00	18.12	1,347.50	310.00	1,657.50
Guagua.....	14	4	18	22.00	18.75	20.00	2,760.49	600.17	3,360.66
Lubao.....	13	1	14	22.70	25.00	22.85	2,725.00	375.00	3,100.00
Mabalacat.....	5	2	7	22.00	22.50	22.15	657.28	292.72	950.00
Macabebe.....	14	2	16	24.64	27.50	25.00	2,373.70	373.73	2,747.43
Magalang.....	4	1	5	29.75	27.00	28.50	1,544.13	372.03	1,916.16
Mexico.....	9	4	13	23.33	20.00	22.30	1,529.63	610.24	2,139.87
Pórac.....	5	2	7	21.00	20.00	20.71	1,079.00	411.00	1,490.00
San Fernando.....	16	5	21	30.74	25.40	29.47	5,787.36	1,466.90	7,254.26
San Luis.....	8	3	11	25.00	20.00	23.63	1,948.34	494.16	2,442.50
Santa Rita.....	3	1	4	23.33	20.00	22.50	531.10	157.36	688.46
Total for Pampanga.....	129	42	171	24.81	21.87	24.09	31,206.87	9,414.40	40,623.27
Bataán:									
Abucay.....	2		2	20.00		20.00	360.00		360.00
Bagac.....	1		1	20.00		20.00	340.00		340.00
Balanga.....	4	3	7	28.75	18.33	24.28	1,499.00	509.00	2,008.00
Dinalupijan.....	3		3	26.66		26.66	920.00		920.00
Mariveles.....	2		2	37.50		37.50	891.15		891.15
Moron.....	1		1	25.00		25.00			
Orani.....	5	2	7	23.00	17.50	21.42	1,287.20	386.12	1,673.32
Orion.....	2	2	4	25.00	22.50	23.75	360.00	300.00	660.00
Total for Bataán.....	20	7	27	22.25	19.28	21.50	5,657.35	1,195.12	6,852.47
Total for division.....	149	49	198	24.46	21.50	23.73	36,866.22	10,609.52	47,475.74

DIVISION OF PANGASINÁN.

Mr. E. G. Turner has been division superintendent of schools for the division of Pangasinán since March 1, 1904, and renders this report. Industrial conditions in the province have been excellent. Nearly the entire area is rich agricultural land and during the past two or three years has yielded enormous crops of rice. Taxes have been collected more easily than in former years, and the division superintendent and teachers, by careful supervision of school funds, have been able to discharge all obligations incurred in every municipality of the province in the furtherance of educational work. It is now stated that while in former years many municipalities were in arrears in payment of salaries of local teachers there is now not one cent owed for wages or for any other purpose.

TEACHERS' INSTITUTES.

The first normal opened May 2 and closed July 15. The second opened November 21 and closed December 25.

The native teachers of this division had received but little normal training before the opening of the present school year. Consequently in knowledge and in training they were surpassed by the teachers of many of the school divisions. To remedy this defect, much of the long vacation, 1904, was devoted to normal instruction for the advancement of the teachers.

At the beginning of the normal all teachers were assigned to the most elementary work given in the public schools. This was done for two reasons: (1) That they might receive a thorough review and drill in the subject-matter they were expected to teach the present year; and (2) to furnish a basis for proper classification of all teachers. As teachers demonstrated their ability they were promoted to higher grades, thus avoiding the unpleasant duty of making demotions. The results of this mode of procedure were highly gratifying.

At the close of the normal the teachers were able to make an intelligent use of what they had learned, whereas before they had a faint idea of many things from the number primer to geometry and from the reading primer to elements of criticism, but no clearly defined knowledge of any subject.

Emphasis was placed upon methods of teaching. The classes were taught what to present to children in class work and how to present it. This work was of great value, as was plainly to be seen throughout the year.

At the opening of the second normal the students were fairly well classified and graded and the work was continued as outlined in the course of study for teachers' normals prepared at the beginning of the normal.

TEACHERS' TRAINING CLASSES.

A course of study was also prepared for teachers' training classes. This work began where the normal work ended. In fact, this course of work supplements the work done in the normal. This course prescribes a certain amount of work to be done before the opening of the next normal. The normal work can then begin where the work of training classes was left off.

The results of the normal work and the work of the training classes throughout the year as demonstrated in the work of the native teachers were very satisfactory.

MUNICIPAL SCHOOLS.

The teachers opened the municipal schools at the close of the normal with the determination of doing better work than they had ever done before. They took up their work with the feeling that the success of their schools was their success and a failure in school work meant a failure on the part of the teacher. Schools have been established in every municipality in this province. Many of the municipalities have two central schools and all have barrio schools. The schools opened with a small attendance, due to the fact that the rainy season was on and rice planting demanded the attention of the children, but ere long the enrollment increased until the school buildings were not sufficient to accommodate all of them. The teachers devoted much of their time to object lessons and picture study and used such methods of teaching as accord well with the laws of mental growth of child life. Such teaching became attractive and the children became very anxious to attend school. Every native teacher had from 50 to 500 common objects in his class room and the pupils took great delight in talking and writing about objects seen out of the schoolroom as well as those in it. The enrollment for the year went up to 43,600 as against 13,000 the preceding year.

BARRIO SCHOOLS.

Many of the most successful municipal teachers were sent to the barrio schools and the results of their work were very gratifying. The people of the barrios became greatly interested in school work and petitioned for more schools and teachers. More teachers could not be supplied the first part of the year, but the people continued to call. In order to test their sincerity, they were informed that schools would be established only on condition that they build barrio school buildings free of charge to the municipalities. School buildings were promptly built. In most cases the grounds on which the buildings were constructed were donated to the municipalities, and in quite a number of cases the land has been deeded to the municipalities. No person has made a great sacrifice, but all have responded freely and voluntarily to every request made in the interest of their own children and homes. The presidents were then notified that all important barrios that would build and equip school buildings free of charge to the municipalities would be entitled to schools,

and teachers would be put in charge of such schools. The people of almost all the principal barrios of the province began to construct school buildings and the call for teachers was so great that my former statement had to be canceled, and later the presidents were notified that it was impossible to furnish more teachers. The records show that 113 barrio school buildings were constructed from the opening of the school year to the close of March. One hundred and three of these were built from January 1 to March 31. During vacation 22 additional buildings were constructed, making in all a total of 135 good barrio school buildings constructed during the school year 1904-5. One town constructed 22 good buildings at a total cost to the municipal treasury of 10 pesos. The people of many of the barrios have made real sacrifices in order that their children may have the advantage of class work in the public schools.

At the close of December there were 170 municipal teachers on the pay roll. At the end of March we had 305 teachers and 143 monitors, and requests came to my office for more teachers for barrio schools until the close of school.

INTERMEDIATE SCHOOLS.

Intermediate school work has been conducted in Alaminos, Asingan, and Lingayén. These schools have a large attendance, and the school work that is being done in these schools is of a high order and the results obtained are very satisfactory. Henceforth no pupils will be admitted into these schools except those who are well prepared to do the work outlined for such schools.

SECONDARY SCHOOLS.

Good work has been done in the high school, but owing to the fact that most of the brightest boys and girls from the upper classes were appointed as teachers the outward showing is not what it would have been had all the pupils remained in school. The fourth, fifth, and sixth grades in the secondary school supplied 60 teachers during the last half of the school year. These teachers will teach one or two years and then reenter the secondary school.

Fifteen night schools were conducted in this division until January 31, at which time they were all closed by order of the general superintendent.

These schools, however, were not attended by the officials for whom such schools were organized, but by young men who do not attend the day schools. These schools are greatly in demand by those who expect to become officials in the near future. There should be a night school for every municipality.

PRIVATE SCHOOLS.

Almost all private schools that formerly existed in this division have gone out of existence. The public schools made no great fight against them during the year. It is the "survival of the fittest." The children want to be educated in the public schools. The teacher of the private school with his antiquated methods can not cope with the teacher who has learned something of the modern methods of teaching and school management.

The problem with the teacher of private school is, how to secure pupils; the problem now with the teacher of the public school is, how to take care of all that want to enter his classes.

CHURCH FACTIONS.

In this division the Aglipayan branch of the church has been very active during the year. It has been aggressive in the extreme. The Roman Catholic Church has put forth every effort to maintain its prestige. It has been the purpose of both of these churches to secure the influence of the American teachers, but as representatives of these two contending bodies are to be found in every town in this division it behooves the teacher to be circumspect in his actions, lest lending his influence to one branch the other will defeat him in his work. The missionaries or representatives of the Protestant branch of the church are also making great efforts to extend their work to all pueblos in the province. It has been thought best to steer the schools clear of this contention by obeying the law to the letter in every respect. This is the only way to keep the schools and teachers free from difficulties, and thus maintain the good will of all.

SUPERINTENDENCE.

It was the object of this office to inspect every school central and barrio in the province at least twice during the year. Some schools require closer supervision than others. Some were inspected twelve times during the year and almost all twice or more. Much time that should have been given to field work was spent in clerical work. Owing to the great

amount of office work to be done in the office of the division superintendent, almost one-third of his time was given to clerical work that could be done by an ordinary clerk. Another clerk was earnestly requested of the department, but without avail.

I can not speak too highly of the services of the American teachers. With but two or three exceptions the teachers did excellent work. They labored as though the work was primarily their own. Many of them labored every month from forty to eighty hours over the time required by law. The common object was to get results. The good feeling and attitude of the people toward school work are due largely to the tact and diplomacy of the American teachers. All towns are anxious to have American teachers and will make sacrifices in order to secure their services. We need more American teachers.

The native teachers have acquitted themselves nobly. During the school year 305 were employed, and with but two or three exceptions every teacher in this division has been faithful, conscientious, and does exceptionally well for the training he has had. The teachers during the year displayed great enthusiasm and energy in their school work. They feel that the work is theirs and that their standing in the department must be established, if at all, through their own efforts. Under the supervision of American teachers the native teachers have succeeded well, but the native teachers at the present are not successful as supervisors. There is a lack of originality and executive ability, two chief characteristics of successful supervisors.

MONITORS.

In addition to the large salaried teaching force in this division 143 monitors were assisting in teaching before the close of school. These assistants served without financial remuneration. In many instances they elected to go to the barrios to teach, paying their own transportation to and from the barrios. The average age of these monitors is about 16. Their work has been satisfactory; in fact, many of them are more successful in teaching than some of the older teachers.

LOCAL SCHOOL BOARDS.

At the beginning of the school year this office made a thorough study of prevailing conditions in every town of this division and in so doing became acquainted in a business way with the influential men that were likely to give the greatest assistance to school work if appointed as members of local school boards. Consequently in November and December a school board was appointed in every town in the province. A circular outlining their duties and responsibilities was then submitted to them. At the same time the supervising teachers were instructed as to the relations that should exist between them and school boards.

These school boards entered upon their duties with much enthusiasm, and the assistance they have given to the development of schools can hardly be estimated. They have assisted in many ways. They have inspected schools, gone with the supervising teachers to the barrios, called the people together, and urged them to construct school buildings. Their actions and influence have determined to a great degree the actions of the people in the barrios. The members of the boards have expended several dollars of their own money in securing transportation to and from the barrios. The attitude and aggressiveness of these men have molded to a large degree the present attitude of the people toward public schools. This office has had no small task to hold them in check and direct their efforts, as they have been desirous of establishing schools in almost all barrios of the various towns of the province.

IMPROVEMENTS.

Many improvements have been made in the way of repairing school buildings and building new ones. One hundred and thirty-five school buildings have been constructed. Many improved school desks have been made for various municipalities and 1,000 double desks are now being constructed. Several schoolhouses are being painted. Schools and school grounds have been beautified, school gardens are being established, and some excellent school sites have been secured for buildings that will be constructed within a few months. The people are coming to a realization that they need new and better school buildings, and various municipalities have now voted ₱42,000 for the construction of new schoolhouses. The province has expressed its willingness to construct a large high school building. Plans have been drawn by the insular architect, but as they are not what we need they have been rejected and other plans are now being prepared by another architect. Preparations have been made and plans are now to be drawn for 9 other school buildings that will cost on an average of ₱4,000 each.

HANDLING SCHOOL FUNDS.

The method of handling school funds in this division is satisfactory in every respect. The expenditure of school funds is wholly under the direction of the division superintendent, who is supposed to be well acquainted with the needs of every school in the province. This method of handling school funds is satisfactory to the municipal officials and to this office.

Practically all officials of the province have been interested in the public schools. The municipal officials in most towns offer inducements for the betterment of the schools and assist them in many ways.

COURSE OF STUDY AND CLASSIFICATION OF PUPILS.

Before the opening of schools this year the writer had a conference with a part of the committee that had been appointed to prepare a course of study for the public schools, and on ascertaining their expectations this office outlined the school work for this division and the supervising teachers were instructed to classify the pupils and regrade all schools in accordance with instruction from this office. When the adopted course of instruction reached us, the schools were well graded and doing the exact work in the first three grades as is outlined in the course. The regrading process has gone on all year, until the pupils are fairly well classified and all schools are pursuing the prescribed course of instruction.

Examinations were given to the third, fourth, fifth, and sixth grades during the month of March, the results of which show that excellent work has been done by the teachers during the year. As the teachers' normal has been in session since June 1, a second examination authorized by the general superintendent of education was not given.

INDUSTRIAL SCHOOL WORK.

The intermediate schools have done some industrial class work, such as whittling, molding, sewing, etc. Preparations are being made to carry on this work quite extensively during the coming year. The writer during vacation made a thorough inspection and study of industrial schools in Japan and southern China, and he is now able to conduct such work more intelligently than heretofore.

SCHOOL SUPPLIES.

Most of our schools have labored under a great disadvantage for the want of proper school supplies. No primary school in this division has had half enough supplies to accommodate the pupils who need books, and some schools have struggled along all year with neither a book, blackboard, nor any supplies whatever. We need primers and first readers over and above any other supplies. If these books were made available, at least one-fourth of the pupils would gladly purchase them. The more advanced classes are better supplied than the primary classes.

RECOMMENDATIONS.

It is recommended by this office:

- (1) That the primary course of instruction extend over four years instead of three.
- (2) That the first year's work in the high schools be the same for all courses and that the differentiation be made in the second year's work.
- (3) That school supplies, especially primers, be made available for the children in every municipality and barrio that is able and willing to provide school buildings and pay the salaries of the teachers.
- (4) That a larger force of competent American supervising teachers be employed for provincial school work.
- (5) That less paper work and fewer reports be required of division superintendents or that a greater office force be provided by the department in order to enable division superintendents to devote more time and attention to their duties as superintendents.
- (6) That the law making English the official language on and after January 1, 1906, remain as it is without change or amendment. It is felt that an amendment of this law so as to extend the time will be a serious blow to educational work in general and to a great degree defeat the purpose for which the educational forces of these islands have labored so earnestly and zealously for the past four years.

SUPPLEMENTARY REPORT, JUNE 1 TO JULY 31, 1905.

A normal for teachers of this division was opened June 1. No teachers were required to enter until June 12, the opening of the new school year, but before this date 500 teachers

and monitors had enrolled and were doing faithful work. The organization of this school and the classification of the students were effected to a degree far more satisfactory than heretofore. After the normal was well under headway, examinations were given in third, fourth, fifth, and sixth grade work. The data obtained in these examinations will enable us to perfect the organization of our teachers at the opening of the next normal.

Table showing the enrollment and average attendance for March, 1905.

Town.	School.	Day school.			Number of school.	Number of teachers.		
		Enrollment.	Average attendance.	Percentage of attendance.		American.	Insular.	Municipal.
Lingayén.....	Provincial high school.	313	303	98	1	8		2
Alaminos.....	Grammar school.....	118	97	94	1	1		
Asingan.....	do.....	177	164	95	1	2	1	
Agno.....	Municipal school.....	700	603	87	7	1	1	8
Alaminos.....	do.....	1,028	671	69	7			7
Anda.....	do.....	625	480	83	4	1		7
Alcalá.....	do.....	1,075	656	79	5	1		10
Asingan.....	do.....	1,920	1,554	87	9	1		17
Bani.....	do.....	432	345	85	4			6
Bautista.....	do.....	482	345	75	3	1		6
Bayambang.....	do.....	505	416	89	3	1		6
Binanonan.....	do.....	1,774	1,623	95	8	2	2	16
Binmaley.....	do.....	1,068	806	81	8	1	1	18
Bollinao.....	do.....	821	714	74	7		1	10
Calasiao.....	do.....	1,693	1,363	85	11	2	1	17
Dagupan.....	do.....	992	756	90	3	3		10
Infanta.....	do.....	229	202	82	3		1	4
Lingayén.....	do.....	1,402	1,114	85	6	2		10
Malasiqui.....	do.....	1,957	1,527	90	14	1		19
Manaoag.....	do.....	886	646	80	6		1	7
Mañgaldan.....	do.....	1,305	929	74	9	1		14
Mangatarem.....	do.....	1,042	788	76	3	2		13
Pozorrubio.....	do.....	464	429	93	2		1	4
Rosales.....	do.....	611	379	74	4	1		6
Salasa.....	do.....	978	692	78	7	1	1	11
San Carlos.....	do.....	2,918	2,202	86	23	1	1	25
San Fabián.....	do.....	401	309	80	3		1	4
San Isidro.....	do.....	737	604	78	6	1		9
San Nicolás.....	do.....	624	271	43	2			3
San Quintín.....	do.....	398	277	79	3	2		3
Tayug.....	do.....	781	544	76	3			7
Sual.....	do.....	677	605	80	3		1	4
Umingan.....	do.....	496	386	82	2		1	2
Urdaneta.....	do.....	2,150	1,856	94	7	1	1	13
Villasis.....	do.....	446	324	74	1	1		7
Total.....		32,155	24,880	83	191	39	15	305

DIVISION OF RIZAL.

Mr. B. G. Bleasdale, the division superintendent of schools for Rizal, took leave to visit the United States on June 22, 1904, and was absent until December 12, 1904. During this interval Mr. Robert H. Neely served as acting division superintendent. Mr. Bleasdale has been on duty in this province during the last months of the school year.

Plans are now pending for the construction of a large intermediate school building on the Princesa estate at Malabón. The expense of this structure is to be borne perhaps in part by the insular government, but chiefly from funds raised through the issuance of bonds under the provisions of the Cooper bill. It has been prescribed by the secretary of public instruction that these bonds shall be subscribed for by residents of Malabón.

The bureau of education has apportioned ₱6,000 from funds appropriated by Act No. 1275 for the construction of a shopbuilding to form a part of the provincial school plant at Pasig. Equipment for this shopbuilding has been purchased by the bureau and will probably be received from the United States by the time the building is completed.

INDUSTRIAL SCHOOL WORK.

During the coming year the provincial board proposes to aid in equipping the industrial school at Pasig by supplying us a steam engine that will cost nearly ₱1,300. Other necessary expenses will be met by them whenever necessary.

Mr. Hodgson, the provincial supervisor, is now overseeing the construction of the industrial school being built from insular funds. This building will be finished by September 25, and ready for occupancy.

MUNICIPAL REVENUES FOR SCHOOL PURPOSES.

Malabón spent for school purposes ₱11,537.97 and Pasig ₱7,194.25. The average expenditure for all the towns is ₱3,073.67. The sum actually spent by the towns from municipal sources for school purposes is 33 centavos per capita of the population of the division. The sum appropriated by the towns for school purposes is 53 centavos per capita. This is an increase over the sum expended during the past year of about 20 per cent.

There are no undischarged obligations and no deficits in any of the towns.

A revision of the land valuations in this province will be a means of renewed support of schools in some towns. This especially applies to Taguig, where the income of the town is very small and the population great.

Ownership of large tracts of land is being settled in the court of land registration. When such ownership is fixed, much back land tax will be collectible and future incomes for school purposes will be assured. In this way further schoolhouse construction can be accomplished and a better corps of municipal teachers can be secured and more of them sent to smaller and more distant barrios of the towns affected.

DONATIONS.

In some cases towns furnished lots for schoolhouse sites, some being the gifts of individuals and others purchased from collections taken up among the people to aid schoolhouse construction, as in the case of Pililla.

Towns aided by donations.

Town.	Land.	Labor.	Money.	Total.
Binauñonan.....	₱ 100.00			₱ 100.00
Malabón.....	500.00		₱ 300.00	800.00
Morong.....		₱ 800.00		800.00
Parañaque.....	200.00			200.00
Pililla.....	200.00	200.00	700.00	1,100.00
Taguig.....	300.00			300.00
Total.....	1,300.00	1,000.00	1,000.00	3,300.00

Revenues from all sources for school purposes.

From Congressional relief fund.....	₱ 37,935.62
From provincial sources.....	1,000.00
From municipal sources (including a balance of ₱ 24,000 from last year)...	78,230.32
From donations.....	3,300.00
From all sources.....	120,465.94

COURSE OF STUDY.

During the latter part of the past year the prescribed course of study was enforced throughout the division. Distribution of the bulletin outlining the same was generally made, and it was studied by both American and Filipino teachers. It was taken up in the teachers' normal during last December by the method class and read and discussed thoroughly.

Attendance, by towns, June 30, 1905.

Town.	Boys.	Girls.	Total.	Town.	Boys.	Girls.	Total.
Antipolo.....	133	94	227	Pililla.....	193	122	315
Binauñonan.....	219	126	345	San Felipe Nery.....	207	117	324
Calocan.....	217	170	387	San Pedro Macati.....	97	72	169
Malabón.....	583	346	929	Taguig.....	245	120	365
Mariquina.....	224	169	393	San Mateo.....	197	120	317
Morong.....	173	40	213	Tanay.....	109	71	180
Parañaque.....	197	110	307	Taytay.....	85	42	127
Pasay.....	237	132	369				
Pasig.....	330	240	570	Total.....	3,615	2,152	5,767

DIVISION OF ROMBLÓN.

Mr. George E. Walk, who submits this report, has been division superintendent of schools for the division of Romblón since November 1, 1902. The division is not a large one, and from the beginning it has had a quota of American teachers which permitted of fairly close supervision of all pupils who have entered the schools. Good progress has been made in the introduction of the course of study and in perfecting the school organization.

The division superintendent desires to state that the general educational outlook for this division for the present year is most encouraging. Very systematic attention is being given on the part of this office to all matters of important detail, such as constitute a well-rounded and complete system of administration.

The following points are receiving especial emphasis: The proper gradation of pupils in all grades and schools according to the requirements of the course of study; the classification and thorough training of all teachers; the systematic drafting, under the immediate supervision of the division superintendent, of all programmes for day school and teachers' classes; the betterment of existing facilities and the organization of a sufficient number of additional barrio schools to place public instruction within the reach of by far the greater part of the school population.

The general policy to be pursued for the present year is that of a strengthening of the system of organization already in vogue. The requirement made by the bureau as to the number of pupils expected to be in daily attendance has long since been met. What is needed is a more equitable distribution of this attendance, so that the burden of maintaining it may be imposed on those schools whose equipment will best enable them to provide instruction for the largest numbers of pupils. To accomplish this result much thought and careful planning will be necessary, but a satisfactory outcome is quite well assured.

A particularly strong attempt is being made by the division superintendent this year to increase the efficiency of barrio teachers. In this division, because of the excessive distances at which most of the important barrios lie from their municipal centers, it is wholly impracticable to attempt to require here, as is done elsewhere, barrio teachers to attend the afternoon session of the teachers' class in the central schools. The instruction of one and one-half hours that barrio teachers will receive from their supervisors on the not too frequent inspections made by the latter will not, on the other hand, suffice to give the barrio teachers enough of either normal training or text-book work in the subjects prescribed by the primary course of study. The aim, however, of this office is to drop at the close of the school year from the corps of instructors those barrio teachers who shall not have acquired a thorough mastery of the work laid down in the primary course of study, and will not, in consequence, be able to pass such an examination thereon as is required of pupils for promotion to the intermediate work.

To effect the end indicated the following system has been adopted: All barrio teachers for the first week in each school month leave their schools in charge of aspirantes and monitors and spend the period designated in the central schools of their respective municipalities, where they are given by the American supervisor thorough training in practice teaching, methods of instruction, and text-book work in the subjects prescribed by the primary course of study. The aim is, in short, to make the week serve the functions of a miniature normal institute, and supervisors readily apprehend that this work presents golden opportunities for concentrated effort in the directions indicated that no other occasion affords.

Throughout the week the barrio teachers are examined by the supervisor on the work done by them during the preceding month. At the close of the week, before they depart to their respective stations, the barrio teachers are each given by the supervisor a complete schedule, specifying the exact ground to be covered by them during the remaining weeks of the month in each subject they teach in their schools, and in each subject studied by themselves in pursuance of the requirements of the primary course.

In the course of the month the American supervisor makes as many inspections as possible of barrio schools in order to see to it that the programmes and schedules laid down by him for the guidance of the barrio teacher are being faithfully carried out. In this way a close scrutiny is maintained over both the actual teaching done by the barrio instructor and the work performed by him in his personal study.

The foregoing statement has been given in large detail, inasmuch as it is felt by this office that the importance of the question of the supervisor of barrio school work amply warrants a full discussion of the method employed to meet the situation.

The financial report, as given elsewhere, shows a very gratifying condition as regards both the willingness and ability of the municipalities to provide the necessary support for the maintenance of the schools. The building report will also demonstrate that, proportionable to its size and resources, the division is doing all that could reasonably be expected in the way of providing an adequate number of schoolhouses.

The cooperation of the American teachers deserves the heartiest possible commendation. They have very willingly supported the division superintendent in all that he has under-

taken. Their conduct has been uniformly exemplary, and their success merits very strong recognition.

The Filipino teachers also have worked earnestly and well. They are responding satisfactorily in the main, to the increased pressure placed upon them for the betterment of their methods of instruction and administration and for their personal advancement.

Throughout the past year the division superintendent has devoted especial attention to the betterment of his office equipment and to the installation of improved methods of filing records, correspondence, etc. The cross-reference system for filing correspondence, as described in Circular No. 17, Series 1905, of the general office, has been put into operation, and most satisfactory results therefrom have been obtained.

The division superintendent wishes to avail himself of the opportunity to express his very hearty thanks to his associates on the provincial board, the Hon. Francisco Sanz, governor, and Mr. Julius S. Reis, supervisor-treasurer, for the most excellent cooperation with which they have favored the division superintendent throughout the whole of his administration. They have ever been courteous and helpful. Without their sympathy and active assistance the projected high school would have been an impossibility. In all possible ways have they demonstrated a desire to assist the division superintendent in the development of the education work of the division.

THE PROVINCIAL HIGH SCHOOL.

The plan proposed for the construction of the provincial high school is to consolidate contributions from the province with donation from the government, to be made under the provisions of Act No. 1275.

The province offers 10 acres of land, a large amount of voluntary labor, materials to the value of several thousand pesos, and six thousand in money. The government, it is understood, will, in its turn, contribute a gift of ₱8,000.

As soon as the terms of this merger are definitely settled the work of constructing the building will be undertaken. The division superintendent is glad to be able to give assurance of the earnest and enthusiastic cooperation of the provincial board in the management of the enterprise.

The upper floor of the government building in Romblón, which the provincial board has most generously converted into quarters for the high school, has, up to the present time, provided adequate accommodations therefor. The development of the school necessitates, however, as speedy as possible a construction of its new and permanent home.

This report would not be complete without a special reference to the very successful administration of the high school under the immediate management of the principal, Mr. J. H. Jenkins. He is indefatigable and highly capable. His assistants, Messrs. McQuaide, Franks, and Cullen, deserve special commendation by reason of the willingness and efficiency of their service.

That the scholastic standard of the high school has been well maintained is forcibly attested by the fact that three pupils passed the recent examination for government scholarships in the United States, one of them procuring the highest rating of any competitor in the islands.

INDUSTRIAL WORK.

Considerable industrial work has already been done in the schools throughout the division, but it is only the augury of a great development along this line as anticipated for the present school year.

In all central and most barrio schools pupils have done simple handiwork, such as mat and basket weaving, sewing, etc. Especial attention in the Romblón municipal schools has naturally been given to the weaving of mats or "petates" from the fibers of the "buri" plant, inasmuch as the manufacture of these mats in Romblón is conducted on a large scale and has given the town its distinctive or characteristic industry. Pupils have been given careful instruction in making new patterns, and many of the products of their labor show high artistic sense.

Industrial work in the provincial high school has been retarded by the lack of suitable tools, with which the division has only recently been supplied by the bureau of education. Now that these have arrived the work will be prosecuted with vigor. The splendid native woods that abound in the division, and the excellent marble deposits found in the municipality of Romblón, will afford abundant material for industrial experimentation.

Simple work in agriculture, like garden making, has been quite successfully conducted in several schools. A considerable enlargement of this work is contemplated for the present school year.

Pupils and adults have shown great interest in both the agricultural and industrial work already done, and that which is being inaugurated, and its success is assured.

SCHOOL SITES.

The division is making great progress in the selection of desirable school sites and the beautifying of school grounds.

The site for the provincial high school is admirable from every point of view and will lend itself to ornamentation on a large scale. It is now being cleared of brush and debris, and excavating and grading will soon follow.

Great care has been taken in selecting sites for all schools to secure sanitary situations. It is difficult, in fact, impossible, in some instances, to procure locations that are both beautiful and sanitary. The two qualities have been combined, however, in some cases, notably the sites for the barrio schools of Libertad, Buena Vista, Cambalo, and the central schools of Cajidiocan.

Wherever possible school sites are being beautified by the making of flower gardens, planting of shrubs, plants, etc.

EXTENT OF SCHOOL ORGANIZATION.

There are in this province 6 municipalities with 15 barrios of first-rate importance. In all these municipalities and barrios schools have been established.

During the present year additional schools will be organized in barrios not important in themselves, but where facilities for instruction should be provided for children who, by reason of the excessive distances, are able to attend neither the central schools nor the more important barrio schools within the same municipal jurisdiction.

The aim will be to strengthen and solidify the system of organization along the lines now being pursued rather than to make any great amplification. When a few additional barrio schools are established, and enlarged equipment in furniture and teachers is provided for certain of the schools already organized, it will be reasonable to affirm that not more than a few hundred of the 10,000 pupils of school age in this division will be beyond the reach of public school instruction.

Great care was devoted throughout the past school year to the proper graduation of pupils according to the requirements of the courses of study prescribed by the general superintendent. At the beginning of the school year the division superintendent inspected in person all schools, central and barrio, in the division, and supervised the inauguration of the courses of study, the grading of the pupils, the drafting of programmes, etc. By means of this very close personal administration carried on throughout the entire year the division superintendent is able to give assurance that the courses have been and are being given a thorough test.

In crowded barrio schools, where a maximum of pupils and a minimum of teachers make conditions difficult of treatment, the carrying out of the requirements of the course has naturally been attended with considerable embarrassment. Nevertheless even here the outlook for good work is fairly promising.

It should perhaps be stated that the division superintendent prepared an amplification of the primary course of study, as contained in Bulletin No 7 of the bureau, for the use and guidance of supervisors. The requirements of that course, as given in the bulletin named, are of course stated in condensed form. Exact specifications relating to the methods of instruction to be employed in the presentation of each subject to be taught, and the amount of ground therein to be covered for every term of each of the three years, were deemed by the division superintendent necessary for the most successful operation of the course. These specifications were embodied by the division superintendent in his suggestive outline for the primary work which, as indicated above, was placed in the hands of all supervising teachers.

Like care has been given to the graduation of pupils in the intermediate and secondary courses. The division superintendent has exercised strict scrutiny over the qualifications of pupil candidates for promotion from the primary to the intermediate course, and none have been admitted to the latter who were not deemed eligible on all fair terms. This policy of exclusion has been carried out, indeed, in all grades in each of the three courses, and supervisors and division superintendent have made efforts to regulate promotions in even the lowest classes.

By dint of much personal effort the division superintendent has contrived to bring it about that many of the most worthy pupils in all schools graduated last March into the intermediate course have come to Romblón for attendance at the intermediate department of the provincial high school. The topographical and other conditions existing here make it imperative that the intermediate work in this division should be concentrated in Romblón. The advantages of this arrangement are too obvious to warrant discussion.

The division superintendent avails himself of the opportunity to state that he believes the several courses of study well adapted, in the main, to the necessities of the situation encountered in these islands. One of the greatest obstacles in the way of their successful operation

heretofore has been the lack of suitable text-books, and these in series. This difficulty is now being very largely remedied by the introduction and use of texts especially designed for the work that has to be executed.

DONATIONS.

The people have donated during the past school year the cost of land, construction, and equipment for the following schoolhouses at an estimated value of all, ₱15,000: Carmen (barrio), Concepción (barrio), Calatrava (barrio), Ferrol (barrio), Libertad (barrio), Odiongan (central, repairs), Alcántara (barrio), Guimbirayan (barrio), Santa Fé (barrio, repairs), Buena Vista (barrio), Cambalo (barrio), Cajidiocan (central), San Fernando (central, repairs), Azagra (barrio, repairs), España (barrio).

In addition the people of the various municipalities have contributed for the construction of the provincial high school timber and other materials valued at ₱7,500. The municipality of Romblón has also given for the same purpose a site of 9 acres of land and a large amount of voluntary labor.

It will be seen by a comparison of the foregoing statement with the accompanying report on school finances, that the amounts actually appropriated by municipalities from their school funds for the construction, equipment, and repair of school buildings is very small when compared with the amounts donated by the people for the same purposes.

No better proof than this could be afforded of the spontaneity of the support accorded by the people to the schools of the division.

Statement of enrollment by grades July 1, 1905.

	Grade.						
	I.	II.	III.	IV.	V.	VI.	VII.
Provincial high school.....			8	51	38	18	15
Romblón, district No. 1.....	1,007	96	57				
Badajoz, district No. 2.....	304	113	42				
Odiongan, district No. 3.....	338	88	36				
Looc, district No. 4.....	756	37	28				
Cajidiocan, district No. 5.....	457	121	38				
Total.....	2,862	455	209	51	38	18	15

DIVISION OF SURIGAO.

This report is rendered by Mr. Carl M. Moore, acting division superintendent of schools for Surigao, appointed on April 5, 1905, when Mr. George N. Briggs was transferred from the superintendency of Surigao to the superintendency of Pampanga and Bataan. Mr. Moore was formerly principal of the provincial high school and as such had opportunity, prior to his appointment to the superintendency, to acquaint himself with school conditions throughout his province.

This province is the most extensive in the archipelago, with the exception of the Moro Province. It is larger than any individual island except Luzón or Mindanao, of which it is a part. It is five times as large as Cebú, but in number of inhabitants Cebú has more than six times as many people as Surigao.

The extent of the province and total absence of roads make communication difficult. These facts, together with the peculiarity of the inhabitants, make the educational problem quite distinct from that of many of the provinces.

INHABITANTS.

The total number of inhabitants in Surigao, including pagan peoples, will not exceed 150,000. There are about 100,000 Christianized Visayan inhabitants. Three pagan tribes compose the other 50,000. They are the Negritos, who occupy the central ridge of mountains which runs the whole length of the province, extending parallel to the coast from point Bilar in the north to point San Agustín in the south; the Manobos, who occupy the great valley of the Agusan, and Mandayans in southern end of the province.

The Visayans, who constitute the Christian inhabitants of the province, occupy a narrow strip along the east and west coasts, stretching inland to a distance of perhaps 10 miles. On the east coast this strip gradually narrows to the southward where it almost disappears. Here scarcely a family can be found which has not some Mandayan blood.

It appears from the geographical position of these inhabitants, and from an observation of what is going on to-day, that not many years in the past the remnant of the pagan tribes

found there to-day occupied the whole of the province. They have been gradually crowded back from the coast by the stronger Visayan people. At present there is a constant stream of migration going from Bohol, Cebu, and other overcrowded Visayan islands. The immigrants are gradually crowding their way up the valleys of the Agusan and Tubay rivers and cultivating the rich agricultural lands that have been lying idle for so many centuries. During this year an extensive colony of serfs from Panay have settled in the valley of the Tubay River. In the Agusan they have become mixed in the immediate valley with the pagan native blood.

These people, coming from the middle and lower classes and representing for the most part that class of restless souls who are willing to leave their former homes and brave the dangers of a voyage and life in a strange island with the hope of bettering their material conditions, naturally form a desirable class with which to establish schools. They are ignorant, it is true, but they possess that desire for self-improvement and for bettering their material conditions that is essential to the rapid progress of any people. Here, because of these very conditions, the impetus for American schools has come largely from within. This has made work easy from the beginning. Wherever there has been any unfriendly attitude in the province to American schools it has been engendered by the Catholic Fathers.

SUPERVISING DISTRICTS.

During the past year the new idea of establishing schools in small barrios and among little clusters of inhabitants distant from the centers of population has been carried to its limit. To-day there is scarcely a child in the province that is not in reach of a schoolhouse. Many teachers went this year into new districts where English had never been taught, and with the aid of pupils who had previously acquired some knowledge of English either in the provincial high school or in the normal institutes, or with the aid of those whom they were able to prepare, have established schools in almost every barrio and cluster of inhabitants within their district.

To these schools, such as they were, the people have heartily extended their support and much good has been done.

For convenience of supervision the province was divided last year, as nature has divided it, into twelve supervising districts. Each of these, with the exception of Numancia, has an American teacher.

The following is a short report on conditions in each district:

Surigao.—The municipality of Surigao is the capital of the province. It comprises Surigao proper and three barrios—Buenavista, Nonoc, and Anao-aon. The last two were former municipalities.

In Anao-aon schools were opened in 1903, in Buenavista in 1904, and in Nonoc for the first time in July of 1905.

There are only two good schoolhouses in the district of Surigao. They are those of the central schools. A good schoolhouse is being constructed in Anao-aon. A private house is in use in Buenavista. In Nonoc the municipal tribunal is being used. The central schools in Surigao are the best in the province. Little effective work has been done in the barrios, owing to the indifference to this work on the part of the American teacher. Better work will be done this year in the barrios.

Cabarbaran.—In no town in the province is there greater interest in schools. The municipal officials have had for the past two years practically no salaries. Almost all the municipal funds have gone to the schools. During the past year they have finished one of the best schoolhouses in the province. It has been furnished with a good supply of modern desks.

This municipality has three large barrios—Jabonga, Santiago, and Tubay. In each of these schools have been opened. Jabonga has one excellent schoolhouse, due to the efforts of the Catholic priest in Butúan. The others have no schoolhouses.

There is considerable friction in the town between the Catholic father and the followers of Aglipay, but this in no way injures the schools.

Butúan.—This is the second town in importance in the province. It is the center of trade for the great Agusan Valley. It is also a stronghold of Catholic influence. This is the second attempt at organizing American schools in Butúan. The first, which was in 1901, proved a complete failure, due not so much to lack of interest on the part of the people as to indifference of the American teachers to their duty. Even with the strong church opposition they might have been successful if the proper teachers had been selected.

This second attempt has met with marked success, due to a changed attitude of the people, and also to the selection of a strong supervising teacher, Mr. Lot D. Lockwood.

Considering the difficulties, more has been done in this district in the past year than in any other of the province. Before the end of the year schools were organized in Butúan and the barrios of Nacipit and Esperanza. Some work was also done in Talacogon.

Here we have to compete with an old Jesuit father of more than thirty years' residence. He is a man of broad knowledge of the people and the conditions in the Agusan. Being a priest of more than average intelligence and integrity, he has, by his open opposition to schools, made their establishment here more difficult than in any other district.

During the past year this town has almost completed one of the best schoolhouses in the province. The officials seem to be thoroughly in sympathy with American schools, but the people can not yet be said to be very enthusiastic, due to the influence of the local priest.

There are no good schoolhouses in the barrios.

Hinatuan.—This is the richest town in Surigao province, being a great center of hemp industry. It has more school money than any other town in the province. Work has begun here under American supervision for the first time in November of last year. Previously some work had been done in the town of Hinatuan by Mr. Victorio Alfonso, insular Filipino teacher.

New schools were opened last year for the first time in the barrio of Malixi, San Juan, and Bislig. The latter is a large barrio and former municipality. After the assignment of an American teacher to Hinatuan, Mr. Alfonso was transferred to Bislig where a good school was conducted.

This district is far behind many others in the province. There are no competent municipal teachers here and no schoolhouses worthy of the name. However, in Bislig we are permitted to use the tribunal of the former municipality which makes an excellent schoolhouse. The present school year an effort will be made to build and equip a good schoolhouse in Hinatuan.

This year, in addition to schools opened last, new schools will be opened in the barrios of Lingig and Loyola.

Liangá.—Liangá is one of the poorest districts in the province and one in which the organization of schools has been very difficult, owing to indifference to instruction on the part of both municipal officials and the people in general. There is not a single man of intelligence or instruction in the town of Liangá.

Since the organization of the provincial high school repeated efforts have been made to have some young people sent to Surigao with the hope of preparing in this way municipal teachers, but without result. All the school money, up to September of last year, has either been illegally used or wasted by the officials of the town. Since the assignment of an American teacher to Liangá the accounts have been gone over and a balance approved, so that future funds may be guarded.

In this district last year nothing was done, owing to lack of competent teachers to organize schools, except in Liangá. This year, with the help of teachers supplied from other districts and the teachers prepared last year, schools have been organized in the barrios of Bretaña, Oteiza, and Marijatag.

There are no good schoolhouses in this district. In fact, there are only two schoolhouses in the district, one in Liangá and one in the barrio of Marijatag. In Oteiza there is a tribunal which is being used at the present time. An effort will be made this year to complete a good schoolhouse in Liangá.

Dapá.—This district comprises the municipalities of Dapá and the barrios of Cabuntog, Pilar, Montserrat, Cambasac, and Consolación. In all of these, except in the barrio of Cambasac, schools were opened last year. A school was opened in this barrio in July of the present year.

In this district work was begun under American supervision for the first time in July of last year. Previous to that time no English school had been conducted in the district outside of Dapá. In the central school, under the supervision of Mr. Nemesio Jesús, an excellent municipal school had been conducted for more than a year.

The district is suffering, as almost all are, from a lack of suitable schoolhouses. Dapá has an excellent schoolhouse nearing completion. In Cabuntog work has been begun on a school building. There is an old tribunal in use in Pilar. Consolación has quite a good schoolhouse nearing completion. This has been built entirely by voluntary labor.

Placer.—This was the fourth town in the province in point of time to have American schools. Schools were established here first in October, 1903. This is one of the smallest municipalities, but one of the most progressive. It is composed of Placer proper and four barrios—Tagana-an, Timamana, Mainit, and Talavera. Schools were established last year for the first time in Talavera and Timamana. In Mainit and Tagana-an English schools have been conducted for the past two years.

The work done by the supervising teacher in the central schools was excellent. The attendance was less than former years, but the standard of instruction was greatly raised.

Placer has two good, but small, schoolhouses. These are being enlarged now to meet the needs of the central schools. In Talavera, Timamana, and Mainit mere temporary sheds are in use. In Tagana-an the old municipal tribunal is in use.

Gigaquit.—Gigaquit is one of the largest towns in the province. It was the second to have American schools. With the exception of Surigao, it has the best graded schools and the best municipal teachers in the province. However, the schools in this district have not been so good in the past year owing to indifference to instruction on the part of the presidente. The former presidente was one of the most active and energetic Filipino officials I ever knew. During his administration the schools were very successful.

Gigaquit has two large barrios, Bacuag and Claver. Both were former municipalities.

There are two good schoolhouses in Gigaquit and two also in Bacuag. In Claver a new schoolhouse is in process of construction.

Cantilan.—This is the largest and best town in the province. It has three large barrios—Lanuza, Carmen, and Carrascal. Two of these, Carrascal and Lanuza, were former municipalities.

This is a stronghold of Catholic influence and the schools here from the first have met with strong church opposition. Schools were first organized here in 1902, but after a trial of one year the town was abandoned. This year an attempt was again made to organize schools under the supervision of an American. This time they have met with marked success. Their success may be attributed to a changed attitude of the people since the removal of the American teachers, and also to the fortunate selection of a young and energetic supervising teacher in the person of Mr. Clayton R. Wise. Mr. Wise possesses in a large degree all those qualities requisite to the successful supervising teacher.

The central schoolhouses are the finest in the province. The barrios are badly in need of better schoolhouses. An effort will be made this year to construct a good schoolhouse in Lanuza.

Numancia.—This district is composed of four barrios of Dapá, Numancia, Pilar, Sapao, and Pamusaingán.

Numancia has been made a separate district owing to the difficulty of communication between this side of the island and Dapá. An insular teacher has been placed in charge of it.

In Numancia and Pilar and Pamusaingán there are no schoolhouses. Provisional nipa houses are in use. Sapao, which was a former municipality, has an old schoolhouse which when repaired, will serve the purpose of the school quite well.

Dinagat.—This municipality includes the whole of the island of Dinagat. Before the year 1905 English schools had been opened in Dinagat and Loreto. In June of 1904 schools were opened in the district for the first time under American supervision. Before the close of last year schools had been opened in the barrios of Libjo, Melgar, and Cagdianao. At the opening of the school year 1905-6 schools were opened in the remaining barrios of Tubajon and Uropa.

In the district more work has been done with less money to provide schoolhouses than in any other in the province.

At the beginning of the school year 1904-5 there were no schoolhouses in the district except those of Loreto and Dinagat. These were in a dilapidated condition. During the year they have all, with the exception of the girls' school in Loreto, been put in good condition. This one is nearing completion. Good frames for schoolhouses have been erected in every barrio. To these temporary sides have been provided of nipa. This will be replaced with boards as soon as possible.

The district has one insular teacher, who is stationed in Loreto. The most of the municipal teachers are teachers of grade I only.

Tandag.—Tandag is one of the largest municipalities in the province. In point of area and difficulty of communication it is the largest in the province. The district consists of Tandag and five large barrios—Cortes, Tigao, Tago, La Paz, and Caguait. Four of these were former municipalities.

Due to a "baguio," which destroyed almost every schoolhouse in the district, it has the best schoolhouses in the province. To relieve the distress caused by this wind storm, the insular government sent 6,000 sacks of rice to be used in paying for work provided for these sufferers. Much of this was spent in building new schoolhouses and completing those already begun, with the result that excellent schoolhouses exist in Tandag and all its barrios except Tigao. Here one good schoolhouse is nearing completion.

The great need of this district is either an insular Filipino teacher for Tandag or another American teacher, since, owing to the size of the district, the supervising teacher must be absent much of his time.

Talacogon.—The municipality of Talacogon has been separated this year from Butúan and forms the new district of Talacogon.

A beginning was made last year in Talacogon and Veruela, but owing to lack of competent teachers little was accomplished. This year the district is to have an American supervising teacher. There are no schoolhouses in the district.

AMERICAN TEACHERS.

The number of American teachers have been reduced by reason of transfer and otherwise since last year from 16 to the present number of 14. At the close of last school year 3 teachers were lost by reason of transfer, 1 by being appointed acting division superintendent and 1 has been transferred since the opening of the schools in June. To replace those lost 3 new teachers have been sent to the province.

There is not a teacher in the province who seems to be dissatisfied with his prospects. The transfers were not made because of dissatisfaction. Two were transferred by the department in Manila and two at their own request.

In but one municipality has there been any friction between the American teachers and the municipal authorities. The relation between American teachers and patrons of the school has invariably been pleasant. There seems to be a perfect understanding between the American teachers and the people, and teachers have invariably been, because of their superiority of intelligence and education, the most influential men in their towns.

The duty of every American teacher in the public schools during the past year has been largely that of a supervisor. In most cases the plan has been pursued of having the teacher submit all work for criticism before presentation to the pupils. Corrections and suggestions are made by the American supervising teachers touching the manner of presentation.

FILIPINO TEACHERS.

Where the American teachers have sufficient grasp and tact great improvement has been observed in the methods of teaching employed by the Filipino teachers.

In the province there are 5 regular insular Filipino teachers and 5 temporary insular teachers. Besides these there are about 5 others capable of doing third-grade work.

In point of efficiency and attainments the rest fall far short of what might be desired. Most of these are teachers of grade I. However, many have given excellent results in primary work.

One desirable thing I have noticed in the last year is that many have begun to look forward to a course in the provincial school. Quite a number of teachers who taught last year resigned this year to enter the preparatory class in the provincial high school. In this laudable ambition they have been encouraged. A considerable number from the high school were this year compelled for financial reasons to leave school to become teachers. They have been encouraged to look forward to returning another year. With proper encouragement this desire for better preparation will increase and in time we shall have some good Filipino teachers.

One thing that was impressed upon them during the normal institute was the importance of regular daily study for personal improvement. American teachers were urged to assist them in this.

Many of these teachers, notwithstanding the fact that their attainments are low, have done excellent work, but the demand each year is growing greater for better teachers.

FINANCES.

The school funds for the year 1905 as estimated are ₱18,071 against ₱15,842.15 for the year 1904. A fairly intimate knowledge of the conditions existing in the province leads me to believe that the collections will fall far short of this estimate. It is clearly evident now that the estimated income from internal revenue has been placed too high. A loss has been suffered to the school fund this year because of the attitude of the provincial treasurer, who openly opposed the levy of one-half of 1 per cent of the land valuation for schools. In the year 1904 every town in the province levied the one-half of 1 per cent. This year 6 municipalities levied one-half, 5 one-fourth, and 1 three-eighths of 1 per cent.

The difficulty of guarding the school fund has been made doubly difficult by the inefficiency of municipal treasurers.

In a recent letter from the insular treasurer the statement was made that in point of efficiency the municipal treasurers of Surigao are the lowest in the islands. Great effort is being made by the present acting treasurer to raise this standard, and I feel confident that a much better state of affairs will exist next year than has existed in the past.

The total expenses for schools during last year were ₱8,169.94.

NIGHT SCHOOLS.

Five night schools were maintained throughout the greater part of the year. These were in the municipalities of Surigao, Cantilan, Butúan, Dapát, and Dinagat. The total enrollment was 233, with an average daily attendance of 127.

It is my opinion that the money paid for teachers in night schools has been poorly spent. Those officials who really are desirous of learning English, it has been my experience, are willing and able to pay a private teacher. In Surigao the provincial officials have always preferred a private class in preference to the government class, where all were admitted.

COEDUCATION.

There has never seemed to be any decided objection to coeducation in this province on the part of the Filipino people. Last year it was tried with success in 5 different municipalities. In strong centers of Catholic influence some objection has been offered, due to the Catholic fathers. However, this has seemed nowhere to have influenced attendance except in Butúan.

NORMAL INSTITUTE.

A normal institute was held in this province from June 12 to July 7, 1905.

As it was believed that the time had now arrived when it was no longer necessary to hold an institute for the purpose of arousing interest in education in the province, only teachers were invited to be present at this institute. Circular letters to this effect were sent to all presidentes, to teachers of last year, and those who had been recommended for teachers for the present year.

Our principal efforts during the four weeks were directed along the line of improving the methods of teaching. This side of the work has been neglected in the past. The teachers were ignorant as to best methods of presenting work to the pupils.

One of the chief features of the school was the model classes. These classes were composed of 15 pupils in each grade taken from the three classes in the Surigao public school. The three grades were taught entirely by the Filipino teachers under the supervision of the American teachers.

The object of the class was to teach by example "how and what to teach." The Filipino teachers were aided by the Americans in the preparation of the lessons for each day. Effort was made to see that each lesson was presented in the simplest and most concrete form. All theory was omitted.

In the regular classes academic instruction was given, covering the three grades of work to be done in the public schools.

PROVINCIAL HIGH SCHOOL.

The provincial high school, which was established in 1903, has had a steady growth from its beginning. Work is being done at the present time in grades from III to VII, inclusive. Ten students passed the intermediate examination. All these with the exception of one have entered the seventh grade this year.

The chief benefit that the school has been to the province has been in furnishing municipal teachers. A large per cent of those teaching at the present time were at some time students in the provincial school.

A summer normal of a few weeks does not succeed in giving adequate and sufficiently prolonged instruction to the teachers. Especially is this true when the normal students have had no previous training. The policy of putting a teacher out to teach after a month or two of training in a normal institute when he has had no previous instruction is not productive of great good. The chief purpose of the normal in this province is to awaken enthusiasm among the people in education. The sessions are always too short and too crowded to give any great amount of substantial and systematic academic instruction.

Through them many young men and women have been led to enter the high school, where they could receive more systematic instruction extending over a period of sufficient length to enable them to receive academic instruction of real value.

The provincial school is greatly in need of a suitable building. The attendance has reached its limit for the present buildings.

One of those in use is furnished by the municipality, and the other is a rented building. An effort has been made from the establishment of the provincial high school to secure a suitable building, but owing to the poverty of the province all efforts have been baffled. With the aid promised by the insular government and the voluntary subscription now being raised from the people of Surigao, I feel confident that we shall soon have a good provincial school building.

In June, 1905, an industrial school was opened in connection with the high school. Great enthusiasm has been aroused among the people by this school. It remains to be seen whether this is permanent.

OUTLOOK.

The outlook for the future of the schools in Surigao is excellent. Nowhere in the province is there any opposition to the American schools on the part of the Filipino people. Many requests have come to this office from the large barrios for American teachers.

There had been a feeling for a long time among the people of Surigao that they were not receiving their just dues, but that feeling was largely quieted last year by this division being given its due proportion of American teachers.

Nowhere is the demand for educational facilities greater than in Surigao Province. Nowhere can be found a more fruitful field for good and lasting results. We have the highest hopes for the future.

School statistics for Surigao Province.

School population:	
School population from 6 to 16 years	23, 022
Number of children that should be in school	7, 674
Enrollment for year 1904-5	8, 118
Attendance	4, 741
Children in school	per cent. 20
<hr/>	
Number of schools:	
Primary	79
Intermediate	1
Provincial	1
Total	81
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Number of teachers:	
Municipal in 1904-5—	
Males	26
Females	47
Municipal in 1905-6—	
Males	71
Females	30
Insular	10
American—	
1904-5	16
1905-6	14
Total for the year 1904-5	99
Total employed at present date	125
Night schools:	
Number allowed	5
Total enrollment	233
Average daily attendance	127
Number of nights taught	417
Attendance	per cent. 53
Provincial high school:	
Number of teachers—	
1904-5	3
1905-6	5
Enrollment	167
Attendance	104
Amount expended by province for	P 772. 00
Normal institute:	
Number enrolled	236
Average daily attendance	207
Percentage of attendance	93
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Finance:	
Land tax	P 14, 216. 32
Internal revenue	604. 54
Appropriation from general funds	946. 36
Loaned from general funds	75. 93
Private subscriptions	
Total available	15, 843. 15

For additional information reference may be made to the report of school finances for the fiscal year July 1, 1904, to June 30, 1905:

Total expenses for fiscal year	₱8, 169. 94
Spent for teachers' salaries	per cent. 56
Spent for construction of schoolhouses	do. 28
Repairs of schoolhouses	do. 12
Other expenses	do. 4
Appropriation per capita of Christian population	₱0. 082
Salaries of teachers:	
Average salary of males	₱11. 39
Average salary of females	10. 16
General average	11. 16
For salaries of males	₱3, 350. 92
For salaries of females	1, 217. 21
Total amount expended	4, 568. 13
Schoolhouses:	
From Spanish time	31
Constructed since American occupation, board	20
In process of construction, board	9
Nipa schoolhouses	18
Constructed last year	4

The 31 schoolhouses constructed in Spanish time are the best in the province. The schoolhouse constructed in Cortés is the only one that will equal them. There are three others nearing completion that are excellent schoolhouses. They are in Butúan, Cabadbaran, and Dapá. The one in Cabadbaran is in use, but needs some work to complete it.

INTRODUCTION OF THE COURSE OF STUDY.

Owing to the fact that the course of study arrived after the opening of schools last year, little could be done in the way of introducing it.

This year, during the normal institute, a copy of this course was furnished all Filipino teachers. An effort was made during the month to teach the teachers how and what to teach in each grade. With the explanation received in the class room and the work done in the model class, we may reasonably expect to have the schools thoroughly graded this year.

ADDITIONAL CONTRIBUTIONS TO SCHOOLS.

The amount of money spent for schools does not represent all the people have done and are doing for schools. Many of the barrio schools have been built entirely by voluntary labor.

The following is an estimate of what has been contributed, aside from the preceding report:

Voluntary work to the value of	₱2, 000. 00
Voluntary contribution to provincial high school	6, 039. 09
Land given by municipality of Surigao	258. 00
Appropriation from province for provincial high school during present school year	10, 750. 00

DIVISION OF TÁRLAC.

At the beginning of the school year 1904-5, the division of Tárlac was in charge of Acting Division Superintendent A. V. Dalrymple, who was replaced on August 8, 1904, by Mr. W. A. Wedgworth, as acting division superintendent, who continued in that capacity until January 1, 1905, when he was given permanent assignment to the superintendency.

In the early months of the year the greatest importance was put upon the building up of a large school attendance. This has brought a large proportion of the population into touch and sympathy with the schools, and now the first effort of the division superintendent and teachers is to develop a more closely organized and efficient school system.

RECEIPTS AND EXPENDITURES FOR SCHOOLS.

The following table shows the receipts for schools and the manner of expenditures:

Receipts:	
Balance July 1, 1904.....	₱12,720.35
Land tax.....	16,700.35
Appropriation from general fund.....	901.83
Internal revenue.....	801.42
Total receipts.....	₱31,123.95
Expenditures:	
Salaries of teachers.....	₱14,501.47
Buildings.....	337.60
Furniture.....	749.72
Transportation of supplies.....	144.92
Incidentals (including janitor).....	448.76
Rent.....	37.22
Repairs.....	1,440.70
Total expenditures.....	18,660.39
Balance July 1, 1905.....	12,463.56

The following shows the amount of money appropriated and spent by the province for the maintenance of the provincial school:^a

Purchase and repair of furniture.....	₱300.00
Painting and repairing building.....	750.00
Repairing buildings and furniture for dormitory for girls.....	200.00
Total.....	1,250.00

SCHOOL BUILDINGS.

The following table shows the number of complete buildings and the number being built in the division in July, 1904, and for July, 1905:

Town.	July, 1904.		July, 1905.	
	Complete.	Started.	Complete.	Started.
Bamban.....	1	1	2	.....
Camiling.....	8	.....	19	.....
Capas.....	3	.....	5	.....
Concepción.....	2	.....	4	1
Moncada.....	2	.....	5	.....
Paniquil.....	2	.....	5	3
Pura.....	5	.....	10	.....
Tárlac.....	4	.....	10	.....
Victoria.....	1	.....	6	1
Total.....	28	1	66	5

In July, 1904, there were 28 school buildings. Several of these were merely shacks. Twelve of the 31 schools then in operation were taught in visitas, or in the shack used as the barrio house or furnished by some citizen of the barrio. These houses were entirely unfit for habitation.

The municipalities now own 66 houses. Thirty-eight have been built during the year. Five more are begun. Some of these houses are very simple, aside from the posts, consisting of nothing but grass and bamboo. Twenty-five of them are good substantial buildings, with saual walls and in most cases board floors, with a valuation of from ₱400 to ₱800. The other 13 are worth between ₱50 and ₱300. The total valuation would not fall short of ₱16,000. Not exceeding ₱250 of this has been paid from the treasurers, the remainder being furnished by subscription and voluntary labor.

^a The province of Tárlac erected a provincial school building in the school year 1903-4, at a cost of ₱27,000. No assistance was received from insular funds.

In this work of building barrio schoolhouses, the people of the barrio express a desire, through their consejal, to have a school. They are told that a suitable house must be prepared at their own expense before a teacher can be given them. In some cases, in order to enlist their unanimous support, they have been asked to petition for a school, agreeing in the petition to provide a suitable house for it. While the barrios of their own accord request to have schools, it is nevertheless true that if a school is once opened in an ordinary shack, it might remain there for an indefinite period unless encouragement and strong cooperation should come from the outside. A strong president or councilman is the means of accomplishing results along this line. Only in rare cases are men found in the barrios who will assume leadership and push the work. With cooperation on the part of the officials, permanent houses should be planned from the beginning, and no time and labor wasted on provisional buildings.

Before leaving the subject of buildings in barrio schools an amusing incident might appropriately be related. A plan had been drawn for a building in one of the barrios. The dimensions were given as 50 ft. x 28 ft. The ground was laid out and one of the head men of the barrio was placed in charge of the work. The division superintendent visited the barrio some weeks later to see what progress had been made. He found posts raised over a site a hundred feet long. The councilman in charge of the work had misinterpreted the meaning of 50 ft. x 28 ft. He had multiplied these numbers and thought the intention was to build the house 1,500 feet long. He was slowly putting this notion into effect.

BUILDING SITES.

In almost every case the site of the building is furnished by the town from suitable land owned by the town or barrio. In some cases sites have been loaned by private individuals for an indefinite time without rent. No reliable approximation can be made of the value of these sites.

It will be noted that in July, 1905, four towns have fewer schools than they had in March, two have the same number, and three have more schools. This decrease in the number of schools is caused in the main by the fact that funds are not sufficient to maintain properly the number of schools that were in operation in March. Furthermore, several barrios that have had schools in operation for more than a year have failed to make proper provisions in the way of seats and buildings, and have therefore lost their schools.

The instruction is at least fair in all of the 56 schools now in operation. Except in a few cases where buildings are not yet finished, hygienic conditions are fair or good in them all.

INTERMEDIATE SCHOOLS.

There are only two intermediate schools in the division, one at Camiling, and the provincial school in Tárlac. There were not enough primary graduates able to enter the provincial school to justify the establishment of a full intermediate class in any of the other towns.

ENROLLMENT AND ATTENDANCE.

The true enrollment for the year was about 13,400. The enrollment number, belonging, and average attendance for March were in round numbers 12,000, 11,000, and 10,000, respectively. Thus 90 per cent, 82 per cent, and 75 per cent of all the pupils enrolled for the year were enrolled, belonging, and in average attendance, respectively, in March.

The statistics given for July, 1904, would be misleading were it not remarked that the schools of Camiling, the largest town of the province, did not open until August. For this reason statistics for August are not given. The large increase in attendance for the last year, while showing clearly that there is no opposition of any consequence to the public schools, does not imply that all the people are over eager to utilize the opportunity to send their children to school. It is a fact, though, that the schools are becoming more and more popular as they reach more and more people and do better work.

The attendance has been somewhat larger than it would have been but for the exertion of the teaching force toward building up attendance. More effort has been put forth along this line than was best and the quality of the work has suffered slightly owing to the fact that the numbers have been too great to permit of the best instruction. The excessive attendance was brought about by the general enthusiasm and by the unquestionable tendency of the public to judge school work solely by numbers. The fact that the attendance is not the only means of measuring efficiency is kept before the teachers at this time.^a

^a For the months of July, 1904, and March, 1905, the enrollment in the provincial school was 213 and 250, respectively, and the attendance 198 and 241.

PROVINCIAL SCHOOL.

The faculty of the school in March consisted of six American teachers, four male and two female, and one Filipino insular teacher. The work consisted of every grade from III to VII. Grade VII was a class of 8 pupils and pursued the subjects of Latin, general history, algebra, commercial geography, bookkeeping, and animal life. This class was carried for the last three months of the year.

This school was organized according to the course of study. Gardening and sewing were taught during the last term. The school is still doing some primary work, but after this year it is not expected that there will be a class lower than grade IV. The school has the confidence of the people and is worthy of it.

NORMAL INSTITUTES.

Normal institutes have been conducted at three different periods. A normal of all the teachers in the province was held at Pura June 13 to July 23, 1904, a period of four weeks. Normals were conducted in Târlac and Camiling November 28 to December 23, 1904, and May 15 to July 8, 1905. Large classes of aspirantes from which to select new teachers were admitted. December was chosen as a suitable period for this work on account of the rice harvest. The last schools were begun in vacation, the month from June 12 to July 8 being added to reinforce the first month's work.

In these institutes method work as well as work in subject-matter was done. The work accomplished reflected credit upon both American and Filipino teachers. Although a month of the last institute was conducted during the vacation period and during the hot month of May, not a complaint was received from a Filipino teacher and every teacher attended.

TEACHERS.

The attitude of the Filipino teacher is worthy of credit. He is almost always found at his post and making an effort, generally with reasonable success, to apply such professional training as has been given him. Five dismissals and three resignations for the good of the service have resulted during the past year. The small number of Filipino lady teachers is noticeable. Every effort is being made to increase interest in the education of girls, and girls are encouraged to prepare themselves for teaching. It is not amiss to mention the faithful, trying, and successful service of a great majority of the American teachers.

ASPIRANTES.

At the close of school in March there were 48 aspirantes giving assistance in the schools. A number of these have been appointed as teachers for the coming year.

INDUSTRIAL WORK.

Some form of industrial work was introduced in almost every school. Sewing was taught in all the central schools except two and in the provincial school. Gardening was begun in several schools. The small children of almost every school produced a large number of miniature articles and implements, some of which were turned to practical use. This work was begun in October, 1904, the Paniqui school being the first to begin.

SCHOOL BOARDS.

School boards were reorganized in all the towns. In four of the towns these boards have been of material assistance in the work. In the town of Camiling the president of the board visited the barrio schools, and the central schools and gave full cooperation in every respect.

COURSE OF STUDY.

The schools were placed on the prescribed course in August and September. So far as the subjects and text are concerned the course seems practicable. Experience seems to indicate, however, that the work provided by the primary course is too expensive for the time given.

COOPERATION OF MUNICIPAL AND PROVINCIAL OFFICIALS.

With few exceptions municipal officials are much interested in educational work and are ready to cooperate and have cooperated. The provincial board at this time is in entire sympathy with educational work and heartily cooperates.

DIVISION OF TAYABAS.

Mr. J. C. Muerman, who has served as division superintendent of schools for Tayabas since November 1, 1902, was granted leave of absence to visit the United States on April 1, 1905. Mr. R. H. Wardall was appointed to the acting division superintendency during his absence. The annual report of the division is rendered by Mr. Muerman, and supplemented at a later date by Mr. Wardall.

In no school division of the archipelago are the difficulties of school supervision greater than in Tayabas. The province has an exceedingly long and irregular coast line, and the means of transportation to some points are altogether inadequate.

The people of the province, while inclined to be somewhat critical of some lines of American administration, have from the beginning given their generous support to the public schools. Their interest has substantially increased during the past year, as indicated in Mr. Wardall's report.

PROVINCIAL HIGH SCHOOL.

The Lucena High School has had one class doing regular high-school work during the past year. The principal has made this school thorough in its work and the discipline is excellent. During the past year a regular teachers' training class has been conducted under Mr. Balch's personal supervision, and, as a proof of their good work, I am glad to report that of the seven who took the Filipino teachers' examination all passed with excellent grades. The work of the other teachers deserves favorable mention also. This being the provincial capital, much attention is paid to the work of this school, and its influence is extending every year. Nearly every town now has one or more students enrolled, and with a new building and more room for the coming year its work will be even much better and its influence greater.

INTERMEDIATE SCHOOLS.

Intermediate schools have been established in Atimonan, Boac, Lucbán, and Lucena. Intermediate work has been done in the central school at Mulanay, and this school should be called an intermediate school.

Lucbán has had an excellent enrollment with good interest. The inhabitants of this town are noted for the many and varied industries they support. I am of the opinion that this school, if allowed to continue, will be one of the most useful schools of the province. Excellent water power can be secured, and the conditions are very favorable to good, hard study. The cool climate and the industry of the people will influence the schools in many ways. I would recommend that a manual training department be added to develop many of the arts and trades now carried on by primitive methods. Greater interest in the school work is shown by the people here than in any other town of the province.

The Boac school has an advantage over the others in having the entire island of Marinduque as its territory. Mr. Baker has been principal for the past two years, and has representatives from every town in the island and many of the barrios. This school rents the old provincial capital building, which is owned by private parties. They have done advanced and intermediate work here, but, during the past year, it has been almost entirely intermediate.

The attitude of the people has been very friendly, and the school has exerted a good influence throughout the island.

There is also need here of work in agriculture and manual training. In connection with this school good ground can be secured very easily. The work in language, geography, and history has been excellent, and in speaking English out of school hours this school stands second to none in our province.

The Atimonan school opened June 20, 1904. It is the intention to make this a high school and an industrial school.

During the year Mr. Finnigan has succeeded in organizing the school, and introduced hat making, weaving, and agriculture. A good-sized lot in the town proper has been secured and fenced, the ground has been cultivated, but the dry weather and poor seed combined to make the results very poor. (A teacher of agriculture has now been sent to Atimonan for special duty in the intermediate school.)

Popular interest is growing rapidly, due to the energy of the principal, who has worked faithfully and honestly to meet the demands of the people for this school. The work in nature study, including a beginning of a school museum, is the best in the province.

In connection with the regular work they have a good school orchestra of about fifteen pieces. For this school we need a teacher in agriculture and mat weaving.

MUNICIPAL SCHOOLS.

During the past year the municipal schools have been as well supported as the limited funds would allow, and in many instances much free and voluntary work has been done in repairing houses, etc.

Lack of trained teachers is a very serious problem. When a teacher has become of some use to the schools, he is often required in some other branch of the government, where the pay is better and the work not so hard.

Parents have become more interested in the schools, and, by means of entertainments and other exercises, this interest is growing.

Our municipal schools can not hope to succeed without the cooperation of the parents. Lack of knowledge of our language is one of the most serious obstacles we have to overcome, but parents do take a great interest in a spelling match and the singing exercises.

BARRIO SCHOOLS.

The condition of the school fund and lack of teachers have not made the work in the barrios what it should be during the past year, and we have been compelled to raise a subscription in some of the barrios to pay the teachers.

This is a very unsatisfactory method, and yet it is better than the former method of private instruction, the amount contributed being less, and paper, pencils and books being furnished the pupils free.

Santa Cruz and the Mulanay district organized the barrios, and the work in these places may be mentioned as the best done in the province.

PRIVATE SCHOOLS.

In nearly every town there are one or more private schools teaching Spanish, their number growing less each year. Some attempt being made to teach the English language with greater or less success. A few of the private schools are really a help to the public schools in their present crowded condition, and they prepare the children for the public schools.

Most of the instruction is confined to religious teachings and doctrines of the church.

SCHOOLHOUSES.

During the past year very substantial school buildings have been completed in Lucena, Atimonan, Sariaya, Unisan (barrio), Infanta, and Catanauan. Good, but cheap, buildings of nipa roof have been built in Kasiguran, Baler, Mulanay, and barrios of San Narciso, Bondog, San Andrés, Macalelon, and other barrios. Mauban, Mogpog, Calauag, Gumaca, and Guinayangan are to build or begin the erection of very neat and substantial buildings during the coming year. Lucena, Sariaya, and Catanauan have two-story buildings.

Special mention must be made of the barrio of Unisan. It has erected one of the finest and most substantial of the new buildings, with a good observatory on the top. This is due to the good, hard work of Mr. Domalain, with the help of the people, who take a keen interest in their beautiful new building with its colored and white windows. Nearly all the work was given free.

THE PROVINCIAL BOARD.

Governor Parás has aided the schools in every way, and, so far as was in his power, his influence and good work have been given freely and willingly; a former teacher himself, his interest is keen, and he watches the results with an eye that understands the advantages and disadvantages of the work here. The teachers have had in him a true and loyal friend, and from his family we have some of our best and most diligent students. The board has shown its interest in our work in many ways, but lack of funds prevents the members from doing many things they would like to do.

The present law that allows the division superintendant to distribute so much of the municipal funds, and then does not allow him a voice in the meetings of the board, except to suggest, is not only poor economy, but a detriment to the school interests, and should be remedied.

SCHOOL BOARDS.

I can repeat the recommendations of a year ago in regard to school boards. The work is done by the council in most every case, and I can see but little use for the local school "junta." Under the present law it seems to have no power at all, and it seems to await the decision of the council before making its recommendations.

ATTITUDE OF PEOPLE TOWARD THE SCHOOLS.

During the past year the attitude of the people has changed greatly toward the free public schools, and many acts of kindness have shown their willingness to assist the teachers in their work.

The average age of the girls is about a year more this year than the last. The idea that a girl has enough education at ten or twelve years is losing ground in our larger towns, but still obtains in some of the smaller pueblos.

Parents have written and asked the teachers and superintendent more this year concerning their children than in the past year. Possibly this is because the teachers are better acquainted with the language and can talk with the parents better.

TRANSPORTATION.

Perhaps in no other province is the transportation as serious a problem as in Tayabas. There are four roads, so-called, in this province; two are in excellent condition now, owing to the good work of the efficient supervisor, Mr. H. C. Humphrey; others will be better soon. Horses are rented at prices that are almost prohibitive.

GENERAL CONDITIONS OF THE PROVINCE.

In agricultural lines much improvement has been made during the past year, and the rice crop was very good. Much more hemp has been planted near Lucbán. In the lower part of the peninsula many coconut trees have been planted, and the corn planted has been fully double the average of a year ago. Nearly double the amount of land was cultivated in the province this past year. Cattle raising near Torrijos, Marinduque, is taking a fresh start. The hemp from Marinduque still maintains its fine quality and name. Bananas have been planted near Santa Cruz on new ground, and also near Mulanay. Am glad to note the cultivation of this plant is increasing.

INDUSTRIAL WORK.

During the year hat making, mat weaving, and agriculture were begun in Atimonan. A native teacher of hat making and mat weaving was procured from Mauban at the expense of the American teachers of Atimonan. Sewing has been introduced into the schools of Tayabas pueblos. Where industrial training of any kind has been introduced the attitude of the pupils has been quite friendly.

DIVISION OF ZAMBALES.

Mr. Otho Atkin, the division superintendent of schools for Zambales, was temporarily transferred to Vigan in May, 1905, to discharge the duties of the division superintendent of schools for Ilocos Sur and Abra until the return of the superintendent of that division from the United States. During Mr. Atkin's absence from Zambales, Mr. Blaine F. Moore has been acting division superintendent and renders the annual report for that division, excerpts from which are quoted below:

A pleasing feature of the year's work has been the steadily increasing confidence of Filipinos in the American schools and in the teachers. Parents seem to be fully satisfied that the course prescribed for and work required in the schools are for the best interests of the pupils, and they have entire confidence in the professional ability of the teachers. In this connection I believe a word should be said about the teachers who have aided in creating such a condition. The character and habits of the Filipino teachers in this province are excellent. All lead moral lives, free from gambling and other vices, often noticeable. The habit of cigarette smoking is also fast falling into disuse among these teachers.

SCHOOLHOUSES ERECTED DURING THE YEAR.

Botolan, barrio of Bianque.—Small bamboo-nipa house. Built by volunteer Filipino-Negrito labor, and donations.

Barrio of San Juan.—Bamboo-nipa house built to accomodate about 60 pupils. Constructed by volunteer labor, and donations.

Barrio of Longos.—House with nipa sides and roof, wood floor, built to accomodate 100 pupils. Constructed by volunteer labor, and donations. A well-built barrio schoolhouse; estimated value, ₱250.

Barrio of Pórac.—House with nipa sides and roof, wood floor, built to accomodate 100 pupils. Constructed by volunteer labor. A well-built barrio schoolhouse; stimated value, ₱300.

Most of the schools of this municipality have grounds adequate in size, and the majority will admit of proper improvement. All grounds are kept clean.

Iba, barrio of Sañasa.—A bamboo-nipa house with good frame, built to accommodate 80 pupils. Constructed entirely by volunteer labor, and donations. Estimated value of house and grounds, ₱225.

Barrio of Lison.—Nipa-bamboo house with wood frame, built to accommodate about 75 pupils. Constructed by volunteer labor, and donations. Estimated value of house, ₱175.

The people of Salasa have provided very pretty grounds for the school. The yard is fenced and contains quite a number of cocoanut palms. It is planned to start flower and vegetable gardens.

The other schools have done but little to improve the grounds other than keep them clean.

Marinloc.—Central school, house 12 by 30 varas, built of nipa and wood. Contains four good class rooms and one assembly room. The house was constructed without expense to the municipal government with the following funds:

Material donated (estimated).....	₱224. 00
Volunteer labor.....	226. 00
Rice (from Congressional relief fund, insular government).....	250. 00
Total.....	700. 00

The funds in constructing this building were very economically handled, as nearly double this amount has been spent on some public buildings little or no better than this one.

Building sites are adequate in size, but little has been done in way of improvements except keeping grounds clean.

Olongapo.—Olongapo completed at the close of 1904 one of the neatest and best appearing schoolhouses in the province. It is built of bamboo-nipa with wood frame, and is about as substantial as a building of this kind can be made. Capacity of building, about 120 pupils. The house was built from municipal and rice (Congressional relief, insular government) funds. Estimated cost, ₱700.

The grounds are ample and are kept neat and clean, but no other improvements have been made on them.

Santa Cruz.—Central school, rebuilt old Spanish school building. House has nipa sides and roof with wood floor, and will accomodate about 375 pupils. House constructed with the following funds:

Rice (Congressional relief), estimated.....	₱210. 00
Volunteer labor and donations, estimated.....	290. 00
Total.....	500. 00

The central school, while in the center of the town, is badly located, so far as grounds are concerned as there is little space for playgrounds, gardens, etc. Barrio schools have adequate grounds but no improvements.

San Marcelino.—No new schoolhouses have been built in this municipality. The school-house in the barrio of Castillejos was repaired. No improvements on grounds except keeping them clean.

San Narciso.—Central school, a large two-story house is now building. The house will be built of wood with iron roof and will contain four large class rooms, storerooms, and central hall way on first floor, and five class rooms on second floor. This will be an excellent building when completed. ₱1,700 have been spent in the construction and about this much more will be needed to complete the work. Nothing as yet has been done on the grounds.

Subic, barrio of Balaybay.—A nipa-bamboo house, built to accommodate about 50 pupils. Constructed by volunteer labor, and donations. Estimated value of house, ₱90.

Grounds are well improved. All are fenced with neat bamboo fences, flowers planted, and potted plants in the houses. All houses and grounds are kept scrupulously clean, and it would be difficult to find anything neater than the school grounds of this municipality. More permanent improvements, such as planting palms, etc., are being made.

Notes.—It will be noted that the estimated values of houses given above are very low, but the fact that both labor and building materials are very cheap in this province must be taken into consideration in this connection.

The past year has been devoted almost exclusively to extending the school system to barrios, building barrio schoolhouses, and increasing attendance. This year will be devoted to improving grounds and houses, securing a better organization, etc.

INDUSTRIAL WORK.

Industrial work has been established in some form in all the municipal schools. Because of the almost entire lack of tools in these schools, the boys' work has been of the kind that could be done by hand without many tools, such as basket weaving, making mats, bamboo fencing, bamboo shelves and benches for schoolrooms, etc. The boys have also kept all school grounds clean, and in some cases made drainage ditches. The value of draining and cleaning grounds lies, of course, not so much in the learning how to do these things but rather in the fact that it constitutes an object lesson in cleanliness and helps combat the idea that white clothes and a little education are inconsistent with manual labor. Basket making, mat weaving, etc., are of considerable practical value, but can scarcely be regarded as a training for means of livelihood since a higher standard of living with the corresponding increase in wages will make much of this class of work impossible.

From all sides there is a demand for tools. Especially the pupils themselves are eager to have and to learn to use American tools.

In nearly all the municipal schools, girls' industrial work has been established. This has consisted chiefly in teaching plain sewing, the work being in charge of native teachers in most cases. The girls take up this work willingly, and on the whole are exceedingly apt in it. The neat, regular sewing that a small girl 9 or 10 years of age can and will do is really surprising. In the town of Súbic, where an American teacher (Mrs. Bonner) is in charge, the work has been somewhat more pretentious. All girls have been taught plain sewing, and the larger ones cutting and fitting of garments and the making of various articles of clothing which are usually regarded as necessary but not in common use among the Filipino girls. The materials have been furnished by the girls, and the finished product, usually some useful article, becomes the property of the maker.

In the provincial school, considering the equipment, the boys have done some excellent work. The work is and has been seriously hampered by lack of proper timber. The native hard wood is difficult to secure because of lack of funds with which to purchase, and when it is obtained is not well fitted for the work as it is too hard for a boy unskilled with tools to properly handle. Soft wood answers the purpose much better, but is still more difficult to obtain.

The smaller boys have done considerable work in planing, sawing, squaring, and making simple articles. The larger ones have made quite a number of articles, mostly for school use, such as tables, desks, plain bookcases, and articles for the girls' industrial work.

For the girls in the provincial school, courses in domestic art and domestic science, of thirty lessons each, have been planned. Each girl has one recitation a week in each subject.

Domestic art.—Practically all the girls are neat sewers and do not need so much the practicing as the application of the various stitches. The class obtained most of its practice from making various articles, such as aprons, underwear, dishcloths, and other articles for personal or kitchen use. In making under-garments, special stress is laid on healthfulness and neatness. In outer garments as much attention as possible is given to the esthetic side, such as the combination of color, matching materials, etc.

Domestic science.—This includes a consideration of food principles, presented in logical sequence and adapted to the educational advancement of the girls. Practically everything in this course is demonstrated by actual experiment. Talks on digestion, some work in dietaries, combination of foods, serving meals, care of house and of sick, are each given their share of attention. Hygiene and sanitation receive special attention through the course.

Nearly all materials used in this course are bought in the local market.

With scarcely an exception, pupils are enthusiastic over the industrial work and are willing, usually eager, to do anything in this line the teacher may direct. This is especially true of the boys if they have good tools to work with, and in the provincial school are always eager to do extra work in addition to the regular two hours a week. The girls appear as interested as the boys, and at the close of a recitation do not hesitate to wash dishes and do other so-called kitchen drudgery, which ordinarily they leave to servants.

While there does not appear to be as much enthusiasm among the adult Filipinos, there is at least no opposition. Parents as a rule seem to have considerable confidence in American schools and American teachers, and take it for granted that the courses planned are for the best interests of the pupils. To the majority of the Filipinos industrial work in schools is something novel, and they do not seem to have a very clear idea as to how far it will be carried or the ultimate value of it, yet they appear passively content with its introduction. Some of the better educated Filipinos, however, are very much interested in the results of this work.

While the above statement applies in a general way there is an exception—the girls' industrial work in the provincial school. The people seem to realize more clearly the need of industrial work for the girls than for the boys, and many parents are anxious for their girls to study cooking and housekeeping under an American teacher.

On the whole, while industrial work in this province has not yet emerged from the experimental stage, the results obtained and the reception it has met have been very encouraging. The aversion to manual labor, which is supposed, correctly or incorrectly, to exist among the better educated class of Filipinos, has not interfered with the work.

The aptness of the boys with tools would seem to indicate the possibility of producing skilled mechanics and workmen of various classes, though it is yet too soon to say positively what can be done in this regard.

The willingness of the girls to learn, and to some extent at least adopt, new methods encourages the belief that this work in the schools will be of material aid in creating a better and more sanitary home life among the Filipinos.

GRADING AND COURSE OF STUDY.

Teachers have taken the prescribed course of study for their guide, and are following it quite closely. It seems to be the conclusion among teachers that the arithmetic required for the primary course is not well proportioned to the other work, as pupils will complete the other branches and still be short in arithmetic. This was illustrated in the primary examination of last March. Almost invariably the lowest grade made by an applicant was in arithmetic, and failures were usually due to poor grades in this subject. With the exception noted above, the course of study seems well adapted to the needs of the schools and teachers have experienced but little difficulty in its application.

There has been a great improvement in grading in the past year. The first and second year are well graded, and the pupils of these classes are, as a rule, quite uniform in their educational advancement. The third grade is not so uniform, as it contains quite a number of older pupils who are slow to learn, but, having gradually worked up to this grade, are not capable of keeping pace with their younger and brighter classmates. This class also contains some pupils who should be in a more advanced grade, but who for various reasons are not able to enter a higher school and so continue in the third year.

SUPPLEMENTARY REPORT COVERING THE PERIOD FROM JUNE 12 TO JULY 31, 1905.

Up to the present, owing to the incessant rain, no outdoor work has been possible, but as soon as weather permits the municipal schools will take up the work of gardening and improving school grounds. Because of the favorable attitude assumed by the pupils toward industrial work, there is little doubt but that this work can be successfully carried out.

Because of the fact that the two years' course arranged for the girls' industrial work was not put into operation until the latter part of last year, the first year's work is not yet completed. The most advanced class will finish the first year's work and about half the second this school year.

On the whole the prospects for this school year are good. The schools are better organized than before, teachers, both American and Filipino, are better satisfied, "fads" have been cut out, and work is on a good, sound basis. It is not expected that there will be any remarkable displays of enthusiasm, but there is a firm and increasing interest and confidence in the schools which, I believe, are the things really to be desired and which are indications of real progress.

DIVISION OF ISABELA.

From the date of the establishment of the bureau of education until April 27, 1905, the provinces of Cagayan and Isabela were united to form a single school division. During the past year they have been under the supervision of Division Superintendent H. E. Bard. On April 17, 1905, Mr. Bard took his departure for the United States on leave of absence, and Mr. H. M. Wagenblass was appointed acting division superintendent. On April 17, 1905, upon petition of the provincial governor and other official citizens, Isabela was made a separate school division, and Mr. Wagenblass was appointed as its division superintendent. While his connection with the province in his present capacity has been brief he has, through long residence in that district, become thoroughly familiar with existing conditions there. The population of Isabela extends over a very large area, and the division is unusually difficult of supervision.

Santa Maria.—This town has a fine large schoolhouse, constructed during the past year, costing ₱808 from school funds and about as much more in contributed labor. There is also one barrio school, but this is conducted in a private house. A school building will probably be constructed there during this year. The school spirit in this town is excellent, and the attendance about 96 per cent of the school population. An insular teacher has been assigned and several aspirantes are used to assist in the teaching, as the school funds will not permit the assignment of more municipal teachers.

Cabagan Nuevo.—Cabagan Nuevo has a new school building, which, owing to the lack of school funds, has not yet been entirely completed but is being used. Since July the supervising teacher, Mr. Thompson, has aroused great interest in school work and secured some additional work on the school building. There are three barrio schools, one having been organized since the beginning of this school year. Four more will have to be established before the needs of the children can be met. The school attendance is about 32 per cent of the school population.

Tumauni.—Tumauni has a small school conducted in an old building quite unsuitable for school purposes and claimed by the Roman Catholic Church. One barrio school has been established since August 1. Two more barrio schools should be established and three school buildings erected. As the town has a balance of only ₱175.84, and the salaries equal the receipts, any improvements made must be by free contributions.

The attendance in this town has been very unsatisfactory during the past year owing to lack of proper interest on the part of the presidente and councilmen, only about 6 per cent of the school population attending. Since July some improvement has been made.

Ilagan.—Ilagan, the capital of the province, has a good school building in the centro. During the year six schools have been established in the barrios, and these have been quite well attended. Mr. Wood, the supervising teacher of this district, did excellent work in organizing the barrio schools of this town and selecting sites for the buildings. There are no barrio school buildings here, but the material for some of them has been collected and the buildings will be constructed this year. The schools have been conducted in rented buildings. This town is well supplied with school funds. The attendance has been about 15 per cent of the school population.

This small percentage of attendance is owing to the great area over which the population is scattered, and to the fact that 7,006 people are residents of two estates controlled absolutely by the Tabacalera Company and one by Baer Senior & Co. The school department and these companies are not as yet cooperating in a satisfactory manner, but a beginning has been made and it is confidently expected that before the end of the present year results will have been obtained.

Gamú.—Gamú has a spacious school building, formerly used as a tribunal. As the school funds would not suffice for the payment of the municipal teachers required here, an insular teacher was assigned. There is also a barrio school conducted in a donated building, but a new building is under construction. The school attendance is about 25 per cent of the school population. One more barrio school should be established.

Naguilkan.—Naguilkan has had the two small schoolhouses in the centro united and repaired this year. It is well supplied with school funds, and one or two barrio schools will be opened this year. The attendance is about 15 per cent, but this will be increased greatly when barrio schools are established.

In this town the low percentage of attendance is mostly the result of the lack of harmony between the Cagayanes and Ilocanos, which a year and a half ago came to a climax in the killing of five of the officials. The attendance previous to this time, when an American teacher was stationed there, was much better, and I believe the solution to this is to divide the province into four supervising districts as recommended in a previous communication, and to station one American teacher in Naguilkan with this town, Gamú, and Cauayan to supervise.

Cauayan.—Cauayan has no school building. A rented building is now being used. There is also one barrio school. This town has a good supply of funds, but has so far lacked proper supervision. The school attendance is about 7 per cent of the school population. This is owing to the lack of barrio schools and the distance of the barrios from the centro. The centro of this town is almost depopulated and the school will perhaps be transferred to a near-by barrio. Two barrio schools have been established since August 1, 1905.

Angadanan.—Angadanan, now called Tagle, has two schools, one being in the barrio of San José. The building at Tagle is of bamboo and was constructed by the people at the beginning of the school year. The school attendance is about 18 per cent of the school population. The barrios are small and widely scattered, and only by the establishing of several small schools can the percentage of attendance be increased.

Echagüe.—Echagüe, the second town in size and importance in the province, until this year had no regular public school. Mr. Smith was sent there in August, 1904, as supervising teacher and organized 7 barrio schools. He raised the attendance from about 40 to 700. Barrio schools were built, but the centro has no school building. This town has a good balance of school funds, and a schoolhouse should be built there this year.

The school attendance is about 32 per cent of the school population. The conditions are perhaps more favorable in this town than any other in comparison to what they were when Mr. Smith arrived. He has succeeded in arousing an enthusiastic interest, which seems to be growing, and in general the outlook is very satisfactory.

A very large percentage of attendance will be extremely difficult to obtain, because of the great extent of territory comprised in the jurisdiction of the town and the wide distribution of the population.

In general over the division the prospects for the ensuing year are bright. A good foundation was laid by Superintendent Bard during the past year. The attitude of both provincial and municipal officials is very friendly. There are still many of the common people who wish their children to do as they did and continue in life without schooling, but these are only exceptional cases, and as soon as schools can be established near enough to all so that they do not incur too much personal inconvenience in attending them, they will attend, impelled by the spirit of competition with others of wider views.

To secure the desired percentage of attendance in this division will not be so difficult, as the children within easy reach of the schoolhouses attend in a much larger per cent than planned for, but to make the schools accessible to every child will be a much more difficult problem. The centros of each town are very small, only three towns requiring more than two teachers in the centro. Near-by barrios are often prevented from attending on account of impassable streams, and most of the barrios are too distant to attend the centro schools. Only by the establishment of many small barrio schools can we hope to supply the needs of the school population.

Of the eleven towns in this province, seven are well supplied with school funds, three have almost no school funds, and one shows a minus balance. It will be necessary to assist some of the towns with native insular teachers. Unfortunately, there are no native teachers in this province who have passed the Filipino teachers' examination.

The provincial high school was opened in this province in June of 1904, and part of the municipal school building is used for this purpose. The number of children attending last year was 108. The provincial board has secured an admirable site facing the Cagayán River and adjoining the town of Ilagan. Plans for an intermediate school have been prepared by the insular architect and the work will soon be begun. Ten thousand pesos were appropriated by the insular government for the intermediate building. This amount will not be sufficient for the construction of the building according to the plan, but the balance can probably be raised by voluntary subscription. The provincial treasury has no funds with which to assist.

A special school was conducted in the town of Echagüe during the year, but it was not reopened in June on account of the lack of American teachers. Only primary work was done in this school, and the students who attended there last year are now attending either the provincial school at Ilagan or the municipal schools of Echagüe. The purpose of the school was to secure the attendance of students of advanced age who would not have entered the municipal school and could not, on account of lack of means and education, attend the high school at Ilagan. This aim was attained and there is no reason why its school should be reopened now. Later on intermediate schools will be required in both Echagüe and Cabagan Nuevo.

INDUSTRIAL WORK.

An effort has been made at industrial work. Sewing has been taught to the girls and basket making to the boys. Sewing supplies were furnished the children by the towns. Owing to the lack of training, and also a definite outline to go by, the native maestras did not secure the results desired in sewing.

In some schools the boys make baskets. They enjoy this work very much. Some school gardening will also be done this year. Lots have already been plowed and prepared by some of the schools.

GRADING OF CHILDREN.

The pupils in the schools of the division are now quite well graded. A circular was sent to all teachers advising them that promotions and demotions can be made only on the approval of the supervising teachers. The course of study is well followed, although the native teachers find the work of the first grade too short and that of the third year too extensive for a year's work.

Grade I contains 2,436 children, Grade II 1,091, Grade III 495, Grade IV 28, Grade V 25, and Grade VI 10.

DIVISION OF MINDORO.

In the island of Mindoro the provincial governor serves as division superintendent of schools. Gov. R. G. Offley, captain, Thirtieth United States Infantry, has served in this capacity since November 10, 1902.

He renders the annual report on schools for the division, from which the following excerpts are taken:

It is worth observing that at the close of what is really the first year of a general school system for this province (excluding the non-Christian tribes, just as the statistics for the States take no account of reservation Indians), Mindoro (14.4 for public schools) has almost

the same proportion of its population in school as has the State of Rhode Island, a larger part than Louisiana (13.8) or Arizona (13.7), and falls but little short of Wyoming (15.68), New Hampshire (16.05), Nevada (16.17), Montana (16.21), and New York, Connecticut and, New Jersey, all of which have less than 17 per cent. The percentage of attendance to total enrollment is no less favorable to this roadless region in comparison with the old settled communities of the States, exceeding Massachusetts's 72 per cent, New York's 71 per cent, Missouri's 67 per cent, and the 63 per cent of the South Atlantic division, the 66 per cent of the South Central, and the 69 per cent of the Western division.

INDUSTRIAL WORK.

Use of carpenter tools taught in all towns where an American is stationed, also basket making, mat weaving, and suali. Embroidery, lace making, and sewing taught in Calapan, Paluan, and Lubang. Beginnings made in furnishing seeds and getting pupils to plant their own gardens, but the school ground soil is not adapted for gardens in any town.

PROGRESS IN GRADING AND INTRODUCTION OF COURSE OF STUDY.

The present year opens with the aims of the bureau generally understood by the teachers. Two grades have been organized in every barrio school. Central schools this year will have third grade pupils and where American teachers are stationed grades four and five are represented. The work is thorough, and it is believed that when intermediate pupils complete the course they will have little difficulty in passing the required examination. The course of study is in the hands of every teacher and seems to be intelligently followed. No municipalities are without public schools.

PROSPECT FOR THE NEW YEAR.

The outlook is encouraging. The people seem to realize what education can do for them, and, considering the backward conditions here and their meager resources, have made a remarkable advance. Opportunity for schooling is now practically available for every boy and girl.

DIVISION OF BENGUET.

The schools of the province of Benguet are under the supervision of the provincial governor, Mr. William F. Pack. During the past year only two schools were in operation—the industrial school for boys at Baguio, and the school for girls at Bua. Good buildings have been erected at the expense of the insular government for both of these institutions. The latter is also to be made an industrial school from this date, provision having particularly been made for housekeeping and weaving.

Mr. James W. Travis has been appointed supervisor of Igorrote schools and is employed in directing and promoting educational work among the people in the provinces of Benguet, Nueva Vizcaya, and Lepanto-Bontoc.

The province of Benguet is inhabited almost exclusively by Igorrotes, there being but 1,200 Christians in the province. This population is sparse and scattered over a large territory. So thinly populated is this district that there is not a municipality in it. The organizations in it, for the purpose of government, are those of townships resembling in many particulars township organizations in the United States. Owing to these conditions, there are no municipal or township schools in the province. Two schools maintained by the insular government have been instituted, one at Bua and the other at Baguio. The school at Bua is a primary school in every sense, with an attendance of about thirty from a total enrollment of thirty-nine. This is a thinly populated community, and the teacher is to be complimented for keeping the average attendance as high as it is. The school at Baguio was founded for the purpose of giving industrial education to the boys of the province. It is a provincial boarding school. All but two townships of the province, namely, Buguias and Kayapa, have been represented in this school during the past year, and we have been unfortunate in not having a regular corps of teachers in charge of this school for any continuous length of time. During the past three years there have been four different teachers in charge who have been assisted by ten other teachers, and this for a school requiring at no one time more than three teachers. This treatment can not be productive of good results. The Igorrote boy inherits from his parents a love of the free life of the mountains and the forests. He dislikes in the extreme confinement and continuous application, and possesses a distrust, to say the least, of all Christians. It will readily be seen that those in charge of these pupils should be permanently stationed here, so that not only the children but the parents too may become thoroughly acquainted with them.

New buildings have been erected both at Baguio and Bua as follows: In Baguio, 3—1 teacher's building, with class rooms, 1 dormitory, and 1 workshop; at Bua, a building that combines in itself a dormitory, class room, and workroom. I recommend a school in La Trinidad for the following year, and that there be placed therein an American teacher. La Trinidad is an Ilocano town, the only one in the province where there could probably be enrolled over a hundred pupils. The schools at both Baguio and Bua are instituted for Igorrotes and are attended by Igorrotes. While we have but a small Christian population, there should be a school that their children may attend. There is nothing in the rules governing the school at Baguio that prohibits them from attending there, but the clannishness existing between the Christians and non-Christians of Benguet is so extreme that the children mix no more than oil and water.

From this report it will be seen that all primary education in this province is confined to the schools in Baguio, Bua, and, I hope, for the coming year La Trinidad. Bua is a sitio of the barrio of Antimok of the town of Itogon. The internal revenue devoted to school funds apportioned to Itogon may properly be expended on the school at Bua, those of Baguio to the boys' industrial school, since there is a day class for resident pupils in primary work, and also those of La Trinidad for school purposes in that town; but the remaining thirteen towns in the province of Benguet have no schools at present, nor is there any prospect of schools being organized in these towns for a long time. I would therefore suggest that as a new law is about to be promulgated for the non-Christian provinces of this archipelago that there be a provision made therein to the effect that 5 per cent of revenue which is returned to the different townships or municipalities to be used as a primary school fund, as provided in article 17, section 150, Act No. 1189, may be diverted from this township fund into a provincial fund for like purposes and under like conditions by the provincial board when in the judgment of said board there is no likelihood of such a fund being used by a township for school purposes.

DIVISION OF LEPANTO-BONTOC.

The schools of the division of Lepanto-Bontoc are under the direction of the provincial governor, Mr. William A. Reed. The funds available in the province for the current school expenses are very slight. There are, moreover, no natives of the province who are yet prepared to take positions as teachers, the municipal assistance being brought in from the coast provinces. These conditions have retarded the extension of the school system in Lepanto-Bontoc.

Prior to the last school year there had been in operation in this province only 2 schools, 1 at Cervantes, the only Ilocano town in the province attended entirely by Ilocano children, and 1 at Bontoc attended by the children of Ilocano residents and a few Igorrotes. There were 2 American and 2 Filipino teachers at the former place and 1 American at the latter.

Many demands having been made on the undersigned for schools and the local funds in some instances appearing to be sufficient, schools were started early in the year at the following towns: Alilem, Angaqui, Bagnen, Bauco (2), Besao, Cayan, Sabangan, and Sagada. All of these are Igorrote schools. With the exception of Alilem and Sagada, which have American teachers, these schools were given as competent Filipino teachers as could be secured from the coast and were all placed in charge of an American supervising teacher. The salaries of the Filipino teachers, ranging from ₱10 to ₱25 per month, were paid from municipal funds.

The interest which the Igorrote people have taken in these schools has been very gratifying and indicates that they may prove to be the one important factor in the uplifting of this backward race. All towns of the subprovinces of Lepanto and Amburayan desire schools, and in some places where the local funds are insufficient for the establishment of a school a number of people club together and employ some Filipino with a smattering of Spanish to teach their children to write and calculate a little, paying him usually in palay.

Unfortunately the desire of the Igorrote parents for the education of their children does not yet extend to the girls, who are still regarded as workers, whose chief duty in life is to plant and harvest the crops. But it is expected that within a few years the more advanced of the Igorrote people will awaken to the desirability of placing their girls on the same footing with the boys. Teachers can, no doubt, exert a wholesome influence in this direction.

Even among the more or less savage and superstitious head hunters of Bontoc the desire for schools is great, and several towns have asked for them. It is believed to be good policy to establish one or two such schools in central points as an experiment. They should, if possible, be at constabulary posts, and, of course, be in charge of American teachers. All school work among the Igorrotes should be more or less industrial in nature, but it is impossible to do much industrial work in the small isolated schools under Filipino teachers.

These schools, however, can serve the purpose of bringing out the best material for the large industrial schools, for which buildings have been erected or are now in process of construction at Cervantes, Bontoc, and Alilem. These industrial schools, when properly equipped and supplied with teachers of industrial work, can do a great good for the Igorrote people. The Bontoc industrial school is ready to begin work and is only waiting for an appropriation for the subsistence of pupils. Several boys from the outside towns have heard what the school proposes to do and have sought admission. This is regarded as a hopeful sign, as it was thought that some trouble might be encountered in getting a sufficient number of boys to enter. It will be necessary in all these schools to furnish subsistence to the pupils. The Igorrotes have not yet reached the point when they are willing to support their children in idleness—that is, when they are not helping to earn a living.

The Cervantes industrial school for Igorrotes, for which an appropriation of ₱4,000 was made by the Philippine Commission for the erection of a building, should be ready to begin work by June, 1906. A valuable site has been secured for this school. A stone foundation has been laid for the main building, and all materials have been gathered, sawed, and fitted, so that the building can soon be pushed to completion. More money will be needed for the construction of shops.

A good site has also been secured for an industrial school at Alilem, capital of the sub-province of Amburayan, and a generous contribution of materials and labor has been made by the people of Alilem for the construction of a commodious building. This school, when opened, will receive both boys and girls and will give special attention to agriculture, carpentry, basket making, and weaving.

SCHOOLHOUSES.

Six schoolhouses have been erected or purchased during the year in the following towns: Banaao 1, cost ₱200; Bauco 2, cost ₱350; Besao 1, cost ₱150; Cayan 2, cost ₱300. All of these buildings are of pine, with hard-wood posts. The roofs are of cogon grass. The cost is given approximately, as detailed information is not at hand on this point at present. Much of the work of gathering materials and putting up the buildings was done gratuitously. Not much can be said for the sites of these schools. Igorrote towns are usually built on the side of a hill, and about enough ground for the schoolhouse to stand on is all that can be expected. In many places the tribunal or town presidencia is utilized for a schoolhouse.

COURSE OF STUDY.

All that has been attempted so far in these Igorrote schools is to teach the children to read, write, and speak a little English and to give them some knowledge of the rudiments of arithmetic. All of the pupils are doing work in grades I and II. Only in Cervantes and Bontoc, where there have been American teachers for four years, is work done in grades III and IV. Owing to the limited number of pupils in grade IV this work is being done in connection with the primary course.

RECOMMENDATION.

The proper carrying out of the plans undertaken for educational work in this province demands the service of a man specially trained in industrial school work who could devote his entire time to it. The provincial governor has too many other duties to properly supervise school work, and as his duties as governor must be performed before those of division superintendent, the latter naturally suffer. It is respectfully recommended that measures be taken to provide a division superintendent for this province. The number of schools, the character of school work to be performed, and the interest of the people in this important matter justify it.

DIVISION OF PALAWAN.

The schools of the province of Palawan are under the direction of the provincial governor, Lieut. Edward Y. Miller, who reports as follows upon the status of educational work in his division:

“As in this province under the provisions of Act No. 387 the land tax is not a divided one and the law does not specify what funds should be expended for school purposes, the different municipalities have expended from general funds such amounts as were needed for the schools. The municipalities have always been ready to expend for school purposes all the money that their treasuries could spare. At this time it is impossible to give exact figures as to the amounts disbursed by the different municipalities for school purposes during the past year.

"Cuyo pays for 4 native teachers and keeps 2 buildings in repair. Puerto Princesa employs 3 native teachers and is paying the living expenses of 6 children from outlying barrios who are being educated in the central schools with the intention of appointing them as teachers in their home barrios when they have advanced far enough to be ready for such appointment.

"Coron is preparing to erect a school building to cost about ₱1,000.

"Coron, Gagayancillo, and Taytay had no schools during the year, because of the lack of native teachers. Coron and Taytay could employ teachers if they were available. Gagayancillo is too poor to employ a teacher, but it keeps a good building in repair, and if a native teacher on insular salary could be sent here a good school would be assured.

"Act No. 387 does not permit the levying of an additional land or property tax for school or other purposes.

"In Cuyo, where ground has been given for the erection of an intermediate and secondary school, building material such as bamboo, posts, plants, young trees, etc., have been contributed for the fencing and adorning of said grounds. The above-mentioned land is sufficiently large, and a part of it will be utilized for school gardens. A small tract of land has been donated at Cuyo for experimental agricultural purposes.

"An equipment of garden tools has been received from the bureau of education and a plow and cultivator from the bureau of agriculture. With these it is expected that a considerable amount of experimental agriculture can be carried on during the coming year.

"At Puerto Princesa, by Act No. 1361 the sum of ₱1,660 has been made available for equipping agricultural and industrial schools. A small equipment of farming and gardening implements has been received from the bureau of education. A tract of about 20 acres on the outskirts of the town that formerly was used by the Spaniards as an experimental farm is available for agricultural purposes, and a start will be made in agricultural work as soon as a teacher can be transferred to Puerto Princesa for that purpose.

"An equipment of wood and iron working tools has been promised for Puerto Princesa, and a suitable building for industrial work being already available a start in that direction will be made as soon as the equipment is received.

"Under the provisions of Act No. 1318 ₱4,000 has been assigned to this province for the erection of an intermediate and secondary school building at Cuyo. Inasmuch as the building occupied at present by the schools of Cuyo is only a temporary structure, it is the intention to, with municipal assistance, construct a building approximately 50 by 100 feet that will be sufficiently large to accommodate both the municipal and secondary schools. I believe this plan better than to build two small unpretentious buildings, and having all the schools together under one roof the supervising teacher will be able to keep a closer scrutiny over the work of the native teachers.

"There are no organized schools in the towns of Coron, Taytay, and Gagayancillo. It has been found necessary to suspend the schools in these towns because no teachers could be found. I believe that before starting schools in these distant towns it will be better to wait until native teachers who have sufficient education to teach English, and who have had some training in the science of teaching under American teachers, are available for such schools than to continue the employment of the uneducated teachers who are only able to teach a little of the native dialect and the catechism. In this way education in the isolated towns will have to be neglected until the older students in the schools of Cuyo and Puerto Princesa are ready for appointment to positions in the other places.

"Until such time as the province can furnish its teachers I would recommend that at least three native teachers on insular salary be sent to Palawan.

"All of the students who passed the intermediate examination at the end of the last school year have returned to school. Two of them have entered the insular normal school in Manila.

"The attitude of the better class of parents toward the schools is very good. Some difficulty is encountered in keeping the children of the poorer and ignorant classes in the schools, but the general results of the educational work in the province have been good and it can safely be said that the best and ruling portion of the population are giving their support to the public schools."

PHILIPPINE NORMAL SCHOOL.

Mr. G. W. Beattie, superintendent of the Philippine Normal School, has been continuously in charge of that institution since June 1, 1903, and renders the annual report quoted below:

"While the main purpose for which the school was organized, the training of native teachers, is ever kept in view, the superior equipment and facilities of the normal school for advanced work has led to an enlargement of its scope. The school is now open to qualified students who do not desire to become teachers but who wish to prepare for professional

schools in general or for college courses. The extent to which advantage has been taken of the opportunities offered may be seen from the number of special students enrolled in July, 1905.

LOCATION AND ACCOMMODATIONS.

"The Philippine Normal School occupies four of the permanent buildings on the exposition grounds, Ermita, Manila, one of them being the main structure, and also uses several temporary buildings. These supply an assembly hall, 17 class rooms; laboratories for physics, biological science, and agriculture; storerooms, and the superintendent's office. A well-equipped chemistry laboratory and lecture room have been provided by repairing a building vacated by the school of arts and trades. The laboratory was connected with the government gas plant. The dormitory for women students coming from the provinces has been removed to a new building known as No. 56 Calle Mercado, Ermita, within easy walking distance of the school. This dormitory will accommodate 90 boarders. In the past year 55 women was the largest number occupying the dormitory at one time.

"The assembly hall was enlarged 50 per cent by removing the old walls and inclosing the space formerly devoted to verandas. The floor of the newly inclosed space was raised to the level of the floor of the old hall and the stage was greatly enlarged and improved. Appropriations have been secured for a domestic-science building and for a new house for the training school. A wood-working shop for manual training will be opened in 1905. Much work has been done on the grounds by filling and grading and they no longer present the neglected, swampy appearance of former days. Because of the relative lowness of the exposition grounds much more filling is needed. The exteriors of all the buildings of the school have been painted.

CONDITIONS OF ADMISSION.

"One radical change has been made in the conditions of admission to the school. As before, men and women are admitted on equal terms and are required to be at least 14 years old. Preparatory classes are also maintained for the benefit of those coming from the provinces who are not prepared for the work of the regular course. Students seeking admission to the preparatory classes, however, are expected under the new regulations to have completed the work of the three years designated by the general superintendent of education as the primary course, or its equivalent.

TRAINING SCHOOL.

"The training department of the normal school consists of one class in each of the three grades of the primary course referred to above and of at least one class in each of the grades of the intermediate course. Practice teaching is done in these classes under the direction of the critic teacher. By this arrangement the students become familiar with the entire elementary school system during their years of preparation for teaching. The organization of the training school has thus been made more complete and the scope of work attempted has been enlarged. The practice teaching is accompanied by a general course on education, attention being paid to the purpose and history of education, psychology, courses of study, and methods. The students are also given frequent opportunities for observing and discussing work done by the teacher in charge.

"In their training work the students learn to prepare and outline the lessons that they teach and to use methods and devices approved by authorities on education. They also deal with many of the problems that arise in the school, and are instructed in the mechanical features of school organization, such as care and use of materials, seating, lighting, movement of classes, record keeping, and report making. In 1904-5 the attendance in the primary classes of the training school was reported to the superintendent of schools for the city of Manila, and consequently is not included in this report.

ATHLETICS AND PHYSICAL CULTURE.

"A feature of the school work of the past year was the attention given the physical welfare of both young men and young women. The men were given setting-up exercises and were trained in military drill. Baseball teams were organized and games were played with various schools of the surrounding region, and some work was done in track athletics. The school now possesses a well-graded baseball field. The young women were trained in Swedish gymnastics by a woman teacher.

TEXT-BOOKS, APPARATUS, AND FEES.

"As formerly, instruction is free and books and necessary apparatus are supplied by the Insular government and loaned with the understanding that everything so loaned to students must be returned at the end of the school year, or whenever they leave the school.

The following new rule has been adopted: "Students in chemistry will be required to pay a fee of ₱10 before entering the class in that subject. This money is intended as payment, in part, for chemicals consumed and regular apparatus broken. Breakages of special apparatus must be paid for in addition. The course in chemistry is optional, no student being required to take it in order to graduate." The extension of the fee system to other lines of laboratory work, in my judgment, has much to commend it.

GARDENING.

"The only line of industrial work introduced in the normal school in 1904-5 was gardening. The work in this branch consisted of three periods per week of practical gardening and two of laboratory study and recitation. Each student engaging in this work had an individual garden plot 5 by 25 feet large, in which he planted seeds and cultivated the growing plants, using hoe, rake, etc. With the exception of the watering in dry weather on days when the classes were in the laboratory, each student took entire care of his plot of ground and gathered the vegetables produced. Fair crops of the ordinary vegetables, such as beets, beans, eggplant, okra, lettuce, peanuts, carrots, radishes, tomatoes, and cabbages were raised, and experiments were made with field plants, such as cotton, corn, and tobacco. Study in the laboratory was correlated with the work in the garden, the principal lines of investigation being seeds, soils, plant foods, water, injurious insects, and methods of growing and harvesting such standard crops as rice, abacá, and tobacco. The work in gardening was carried by the four sections of the sixth grade, more than 100 students in all, and was participated in by the girls as well as the boys. All were eager to learn, and with few exceptions applied themselves to the manual-labor feature of the work with enthusiasm. After the gardens began to produce class after class might be seen carrying their individual bundles of vegetables from class room to class room until they were free to go to their homes. When the domestic-science building is in operation the cooking classes can serve a valuable purpose in teaching Filipino students how to prepare for the table many kinds of vegetables that are now unfamiliar to them.

LIBRARY.

The beginnings of a library are to be found in the normal school. Selections made from sample books supplied to the bureau of education, government publications, and books mainly historical or belonging to the reference class that have been purchased for the school, constitute the present stock. These have proved very valuable to the teachers and students. A carefully selected list of additional books desired was submitted to your consideration, and it is earnestly hoped that money for their purchase may be secured in the near future.

Funds for a special library for the girls' dormitory to the amount of more than \$1,000 were raised during the year. The greater portion of this sum was the proceeds of an entertainment conducted under Filipino auspices, and most of the remainder was contributed by Filipino organizations and individuals.

REVISED COURSE OF STUDY.

One of the most important changes of the year is found in the revised course of study. In the new course of study which was prescribed by the general superintendent for the provincial and municipal schools a two-year course in preparation for teaching was arranged as one of the secondary courses, and it was suggested that those students who wish to receive further training for teaching should enter the Philippine Normal School. The adoption of this course of study with its accompanying suggestion made it advisable to rearrange the course of study in the normal school so that the work might accord with, as well as supplement, the work of the high schools.

By the time a student has completed the two years of the teacher's course in any high school in the islands, the new four-year course of study in the normal school will be in effect, that he may enter the latter school and complete the course offered there in two years without having to make up any deficiencies in work or repeat any work already done.

Also, a student having a lesser amount of preparation can pass from the high school to the normal school and pursue his studies without interruption.

The rearranged course of study made the greater part of the old first and second year work merely preparatory, thus raising the grade of the school by nearly two years. Many students in the normal school had made financial arrangements on an expectation of graduating in the time required by the old course. That no injustice should be done such students, it was arranged that the new course of study should go into effect in 1905-6 in the preparatory and first year only, the old course being followed by the students who were already in the regular classes of the school. The three preparatory years of the revised

course are substantially the same as the intermediate years of the new general course of study. Below is an outline of the work proposed for the four regular classes of the normal school after the new course of study for that school is in full force and effect.

Outline for regular classes when the new course of study is in effect.

	First year. ^a	Second year. ^b	Third year. ^c	Fourth year. ^d
Language.....	English, 1 period; Swiss Family Robinson; Lamb's Tales from Shakespeare; Gulliver's Travels; Jungle Books (2 vols.).	English, 1 period; The Alhambra; Treasure Island; Grandfather's Chair; Scott's Tales of a Grandfather; Courtship of Miles Standish; Evangeline; Hiawatha.	English, 1 period..	English, 1 period.
Mathematics.	Concrete geometry, completed first half; Algebra, Milne's High School, to factoring, second half, 1 period.	Algebra, 1 period, through quadratics.	Plane geometry, 1 period.	
Science.....	Botany, 2 periods.....	Zoology, 2 periods.....	Chemistry, 2 periods, or some elective.	Physics, 2 periods, or some elective.
History.....	Advanced history and civil government of the Philippines, 1 period.	Ancient history, 1 period.	Modern Colonial History, 1 period.	United States history and civil government, 1 period.
Professional training.	School systems, 2 lessons per week, 1 period.	Methods and practice teaching, 2 lessons per week, 1 period.	Psychology and methods, 5 lessons per week, 1 period.	Practice teaching and methods 2 periods.

^a To be given in 1905-6 et seq.

^b To be given in 1906-7 et seq.

^c To be given in 1907-8 et seq.

^d This year of the new course differs from the same year in the old course in quality rather than in subject-matter.

For a full description of the content of the revised course of study see Bulletin No. 21, series 1905.

In passing it may not be out of the way to note that everything contained in the above course of study is being taught in the year 1905-6 to regular classes of special and graduate students in the normal school, except psychology and civil government of the United States.

The graduating class for the year 1904-5 numbered 12. Of these, 4 are continuing their studies in the normal school and 8 are teaching in the public schools. Of the preceding class, 2 are studying in the United States after teaching one year and 2 resigned their positions as teachers to take additional work in the normal. The remainder are teaching.

The most pressing need of the normal school at the present time is a dormitory for boys and young men. In the early part of the year 1905 a careful investigation of the conditions under which our students who come from the province live was made by one of our teachers. This work involved an examination of the temporary homes of 148 young men. The report on this investigation was forwarded to your office on March 23, 1905. Permit me at this time to quote from my letter of transmittal of that date:

"1. The students in the normal school do not belong to the poorest class of Filipinos, and as a rule are paying a reasonable amount of money for room and board.

"2. They possess the best accommodations obtainable within a reasonable distance from the school.

"3. In the homes that they occupy, the accommodations are inadequate for living properly, their lodging places are unsanitary, and the most necessary equipment for study, like tables, chairs, and good lights is almost wholly lacking; while the freedom from distraction necessary in study hours is unattainable.

"4. There is no prospect of improvement in the conditions of living through causes now in operation."

In view of the foregoing I am deeply impressed with the necessity of action by the government in the line of providing quarters where students may secure an abundance of wholesome food, have sanitary quarters, and possess the necessary facilities for study at a reasonable cost to themselves.

It is a part of the policy of the government to maintain schools in Manila in which instruction of a more advanced character than can be obtained in the provinces will be offered. It is unreasonable to expect students who come to the city to take advantage of the educa-

tional facilities offered to do themselves justice in their efforts under such living conditions as they are subjected to here.

I therefore recommend: (1) That a dormitory for young men be established, to be under the control of a teacher in the normal school or some other employee of the bureau of education; (2) that temporary structures like barracks be erected on or near the exposition grounds; (3) that these buildings be supplied with study tables, chairs, lights, cane beds, and with suitable cooking and eating facilities; (4) that a charge of ₱15 per month, or as much more as may be deemed necessary, be made for board and room in such dormitory; (5) that the buildings and their facilities be open to the students in the normal school and to those in the trade school so long as the latter institution continues to occupy a portion of the exposition grounds; (6) that opportunity be given poor students to earn at least a part of their board and lodging by rendering service in the establishment. My idea would be to make the dormitory pay expenses after the buildings are supplied. In my judgment, so elaborate an equipment as was required for the home for young women will not be necessary to meet the needs of the young men.

I would add that the need for such a dormitory is not less but is really greater than it was when the above was written. The San Antonio district lying immediately north of the exposition grounds was included in the first limits of the city of Manila several years ago, and since that time no repairs have been permitted on nipa houses. Within the past year many of the old nipa houses lying in this district have become uninhabitable and have been torn down. It is doubtful if any of these houses survive the present year. Our students are thus forced to find homes in the nipa districts of Malate since rents in Ermita in houses of strong material are so high as to be prohibitive to our students. One needs but to observe the difference in appearance and working capacity of the young women who live in the girls' dormitory and those who do not, to be convinced of the economy of the dormitory feature of our school work. It is poor policy to supply an expensive teaching force and costly buildings and that their working capacity is materially lower than would be if they had wholesome food, sanitary quarters, and simple accommodations for study. It should be borne in mind that private boarding houses, in our sense of the term, are unknown among the Filipinos. The recent outbreak of cholera in Manila forcibly impressed on us our helplessness in regard to our boys and young men who are forced to live in places where absolutely necessary precautions can not be taken to combat the disease, while we have felt no uneasiness concerning the health of the young women living in the girls' dormitory, where we have some control over conditions. I earnestly trust that the lack of funds may not longer delay the bureau in its efforts to provide this necessary home for our young men students.

ATTENDANCE.

The following is the attendance record for the past school year:

	Men.	Women.	Total.
Total enrollment.....	378	175	553
Average enrollment.....	286	147	442
Average attendance.....	269	136	405

Enrollment by grades in July, 1905: Special students (these can not be classified by grades), preparatory, medicine, 32; preparatory, agriculture, 1; preparatory, architecture, 1; preparatory, law, 5; at large, 4; total, 43. Grade VIII, senior class, old course, 19; Grade VII, third-year class, old courses, 33; Grade VII, first-year class, new course, 31; total in Grade VII, 64. Grade VI, second year, old course, 105; Grade V, 71; Grade IV, 124; total for normal and preparatory classes, 426. Training school: Grade III, 45; Grade II, 49; Grade I, 42; total training school, 136. Grand total, 562.

THE PHILIPPINE SCHOOL OF ARTS AND TRADES.

The annual report of the Philippine School of Arts and Trades is rendered by Mr. J. J. Eaton, who was appointed to the superintendency on February 1, 1905. During the first months of the school year Mr. Ronald P. Gleason acted as superintendent of this institution. He resigned on the above date to return to the United States. The trade school is now excellently equipped with the necessary machinery, tools, and instruments for practical instruction in wood and iron working and mechanical drawing, and during recent months has become a well-established element in the public school system. It is the central institution from which industrial work, particularly in the lines of wood and iron working, as

established throughout the archipelago, will be directed and supervised. It is to serve as a model upon which the smaller provincial trades schools are to be organized, and with its larger and more complete outfit of machinery it is to serve also as a source of supply to these schools, of working models and patterns and articles of minor equipment.

In June, 1904, courses in carving, carpentry, and benchwork were offered to the students. These courses were conducted in the original building under practically the same conditions as the year before, the large center room being used for carpentry and the end room for metal working. Few changes were made in the carpentry classes, except that a small number of the pupils of other years returned and an advance was made in the class of work performed. A complete course for the year was arranged, consisting of exercises similar to those usually performed in the highest classes of the grammar schools in the United States. As the boys were older, larger, and more experienced, results were much better than in the preceding year.

In September the long-expected machinery arrived from the States. This consisted of six wood-turning lathes, one pattern maker's lathe, a surface planer, a band saw, a circular saw, and a grindstone. These were shortly followed by an 8-horsepower Mietz & Weise kerosene engine.

The building then in use was deemed insufficient in size and in an unsatisfactory condition for installing this machinery. Fortunately at this time the insular purchasing agent abandoned the sheds on the exposition grounds and moved to other quarters. Within a few weeks undesirable parts of these buildings were removed, partitions erected, and other changes made for housing the machines and benches, and a small finishing room supplied, so that before the close of school for the Christmas holidays everything was in running order in the new quarters.

At the same time that the carpentry shops were transferred to the new quarters the metal-working classes moved into another of the abandoned buildings. This building was in better condition than the others, having a plank floor and sides already in position. Posts were erected and the overhead structure otherwise braced for the main shafting and counter-shafting, so that at the same time that the carpentry shops started work the 64-horsepower engine of this department was moving the wheels and gears of the shaper, milling machine, large upright drill, sensitive drill, drill grinder, emery wheel, and the three lathes for metal working.

A small tool room furnished for this shop has been one of the noticeable features. In this place racks have been provided, so that every one of the large number of drills and numerous small tools has a special place provided for it. The pupils are not allowed to enter this room. When they require a tool they must present a check with their number upon it. This check is then placed in the rack vacated by the tool selected. One of the advantages of this system, which is used by all shops of any importance, is shown by the fact that not a single tool has been lost in this department since this method has been employed.

At the beginning of the year 1903-4 classes of 12 were as large as could be accommodated. Just before the Christmas holidays the classes had been increased to 18 in each period.

During the year many articles were made in both shops, not only for the use of this school, but also for other schools, the general office, and other bureaus. One letter in the school files states that if it had not been for the prompt response of the school in complying with a request from the bureau of government laboratories, their first effort in the cultivation of silkworms might have been a failure. In this case several wooden frames were made and delivered the same day as requested.

In other departments improvements were more gradual. A systematic course in mechanical drawing had been arranged to cover a period of four years, but the constant changes in the classes practically caused very little to be done beyond the first year's work.

Two teachers, one of English and the other of mathematics, working with ungraded classes of large size progressed slowly, only 20 per cent of the students passing the examination for primary certificates. The majority of failures occurred in the geography examination, a subject to which very little time had been devoted.

Undoubtedly greater progress would have been made during the year if it had not been for the long-continued sickness and consequent absence from duty of Mr. Davis, the teacher of carpentry, as well as the failing health of Mr. Gleason, the superintendent of the school, who was compelled to drop his work because of illness. At the beginning of the year several substitute teachers were engaged at different times in the teaching of arithmetic in place of Miss Brustgruen, who had not returned from a vacation in the United States. This, of course, was another hindrance to progress.

The resignation of Mr. Gleason and his wife at the end of January was regretted by everybody connected with the school. Mr. Gleason was the first superintendent of the Philippine School of Arts and Trades, and an untiring worker for its advancement. He enjoyed the friendship and respect of the faculty and the pupils.

At the close of school in March, there being no pupils sufficiently advanced to be graduated, the public was invited to view the shops in full operation and the work of the year on exhibition in the drawing hall.

Immediately after school closed all pupils were graded in accordance with the final reports of the faculty. In the majority of cases the standing of pupils in class-room work and shopwork was found to be mismatched, the shopwork being far in advance of the former. It was accordingly decided to maintain a summer school for those deficient in English and mathematics. With the aid of the department and through the zeal of Miss Fee, appointed to fill the vacancy caused by the resignation of Mrs. Gleason, the summer school accomplished the purpose for which it was organized. Miss Fee worked through the summer period without extra compensation. Although but a small percentage passed the special examination for primary certificate given at the end of the course, the remainder were materially assisted, and all but 10 were ranked in a straight grade.

During the summer vacation the workbenches in the machine shop were replaced by other benches of the kind illustrated in Bulletin No. 11 of the bureau of education. These have proved to be a vast improvement, affording to each pupil of the three different classes a place to secure his tools against loss and injury, and also insuring pupils themselves from injury due to flying chips. The enrollment of the classes in this work has increased to 24. This number is considered the limit, especially as the teacher is required simultaneously to instruct advanced classes in machine work and benchwork. For the first year in bench, work a regular course has been arranged, consisting of chipping and filing, scraping, drilling tapping, and die work. These exercises are usually in the form of small tools, which may afterwards be used by the boys, thus adding to the interest in the work. During the second year those undertaking this work are required to spend one-third of their time in the blacksmith shop, while the third and fourth years are devoted exclusively to the use of machine tools. For thesis work for the last year each class is required to design some form of machine and to make the same in the shop. At the present time drawings are being prepared consisting of two bench lathes of 5-inch and 6-inch diameters, a 10-inch speed lathe, a 12-inch wood-turning lathe, a vertical marine engine of 44-horsepower, a horizontal stationary engine, a $\frac{1}{2}$ -horsepower dynamo, a small water motor, and a polishing head. As soon as patterns are prepared for the castings these machines will be constructed.

During the summer a practical course in wood carving was arranged and models constructed to aid pupils in their work. Artistic paper knives of different forms are one of the features of the first year's work. The natural skill and ability of the Filipinos should make this course one of the most popular.

The classes in carpentry have been greatly handicapped in undertaking regular work on account of the large amount of outside work demanded of them. While to a certain extent such work is of educational value and should be undertaken by a trade school, it is nevertheless true that the object of this school is to produce boys, not bookcases, and that students of the lower grades should no more be compelled or expected to do the work of regular carpenters and cabinetmakers than pupils in arithmetic and bookkeeping should be compelled to undertake work of a similar nature in the offices of the government. Owing to their lack of experience and the very fact that they are beginners, large quantities of lumber are wasted, unless the teacher personally performs a portion of the work, especially the measuring and marking. As time is usually an important factor in these matters, that part of the work is done by the instructor and one of the most essential details is not fully grasped by the pupil. During the third year of his work the pupil should have acquired sufficient knowledge to attempt by himself work of the description mentioned, but at the present time there are only five boys in this school who have arrived at that stage. It is hoped that in another year this number will be materially increased.

At the present time the teacher of telegraphy gives instruction to 40 young men, an increase of 30 per cent over last year. The standard for entrance, both physically and mentally, has been materially increased, yet the number of eligible applicants is far in excess of the present accommodations.

The course of telegraphy does not correlate with the other trades taught in this school, but more properly belongs with those subjects offered by the School of Commerce, and therefore should be transferred to that school as soon as adequate provisions are made for such transfer.

The return of Mr. Davis, after a vacation of five months, the assignment of Mr. Friedman as a teacher of drawing, and the appointment of a teacher of blacksmithing, as well as that of a third teacher of English, assisted wonderfully in straightening out the difficulties under which the school had been struggling, as well as promising much for the future.

No teachers have been provided for plumbing and pattern making. The school has room for pupils in these branches, with machinery and supplies. The lack of plumbers in the islands is too well known to need comment. Filipinos are not doing the work, nor are they being taught to do it. A reference to any plumbing bill will show that prices for the work are based on a monopoly, and the enormous amount of work planned by the city of Manila shows the great possibilities in store for the skilled plumber.

Pattern making is here a neglected art. Castings, when made in Manila, are crude and misshapen. Enough is left on the pattern to allow a good share of the material to be cut

away before the lines of the required article are reached. This is clumsy and costly. Pattern makers who understand the work are needed very much. There are none being taught. Their work precedes the work of the machinist, and economy in manufacture of metal work depends on them.

Four Filipino teachers assist the eight Americans. The teacher of mechanical drawing is a product of this school, who received a portion of his training in Spanish times. He has a very good record, although he is somewhat slow; a steady worker, careful and accurate, and always to be depended upon, he has done most valuable work in building up the school. His assistant, also a product of this school, teaches free-hand drawing. An artist of ability, with initiative and originality, he is rapidly developing into a very good teacher. The assistant teacher of carpentry, educated in this school, is a skilled mechanic, and, with the aid of the American machinery installed here, he can do the work of four Chinese carpenters. He has so impressed his personality on the boys who were once his fellow-students that he has their obedience and respect. The teacher of wood carving, not a graduate of this school, is a very fine workman—slow, exact, artistic—teaches with great accuracy, but fails to grasp the need for industrial speed. With the supervision of the American teacher, this fault may be overcome—at any rate, he will never teach slipshod work.

The salaries of these teachers average ₱52.50 per month, about 70 per cent of the average salary paid Filipino teachers of the city schools of Manila. This difference is undoubtedly due to the fact that three of the teachers of this school have not yet qualified in the civil-service examinations.

The attitude of parents and pupils toward the school is indicated by these facts: The requirements for admission have been made much more stringent; the number of pupils has nearly doubled within the year; those enrolled are more constant in attendance; more than 100 applicants have been denied, owing to the lack of accommodation, and for other reasons. Parents regularly visit the school and express their gratitude for the benefits their sons receive. One pupil attends school from 7.30 to 12.45 and earns a living as a conductor on a trolley car from 2 to 11 p. m. Since the opening of school he has never been absent nor tardy. Several are muchachos in private families, while some have wealthy parents—in all cases working together at the same bench, playing on the same baseball team, and apparently measuring each other by the same standards as the government officials themselves observe.

The present location of the school is a very undesirable one, overshadowed as it is by the normal school and practically prevented from further growth. Owing to its position, only a small portion of the day may be devoted to the use of certain machinery, and various plans for improvement are postponed by the faculty or rejected by the general superintendent on account of the fact that the present quarters are not considered permanent. Recently plans have been prepared by the bureau of architecture for shops and other buildings, estimated to cost nearly ₱100,000, which, if erected, will give the Philippine Islands one of the best-housed trade schools in the Orient and the promoters of the same a lasting monument to their foresight and thoughtfulness.

During the next long vacation it is recommended that classes for teachers be maintained in carpentry, blacksmithing, and wood carving for at least a portion of the vacation. Work of this nature would be of great value to those engaged in teaching industrial work—who as yet have not had sufficient practical experience—besides assisting in making the work more uniform throughout the islands. The latter fact would have an important bearing upon this school. With a gradual raising of the requirements for admission and a corresponding expansion within the school, this institution may be developed into a school of dual character—a true trade school and a school of engineering. Many of the teachers are fitted for such work; all that is required is an increased equipment and a proper student body.

The practical nature of the installation of proper apparatus, the securing of desirable pupils, and the zeal of the teachers must be measured by the work done by pupils, and especially by indications that pupils have acquired training that enables them to go out into industrial life and hold their places against competition.

The work done shows that a large measure of success has been obtained, judged from this standpoint. This work includes articles that are admirable, not as products of children in school, but as commercial goods. The carpentry students have done work that would be creditable to commercial workshops. The metal-working students have produced tools that are good, judged by any standard. There are students who would be found equal to the work of the manufacturing plants of Manila, and who do work that has never been done by Filipino workers before. There are boys who can operate American machine tools fairly well who could obtain work in the United States. There are a few who can run a kerosene engine, fix and adjust belts, pulleys, and shafting. In fact, definite steps have been taken to prove that the Filipino must, at some future date, be reckoned as an important factor in the industrial world.

Pupils, by provinces, July, 1905.

Batangas.....	2	Mindoro.....	1
Bohol.....	1	Negros Occidental.....	2
Bulacán.....	12	Nueva Ecija.....	1
Cavite.....	10	Nueva Vizcaya.....	5
Cagayán.....	2	Pampanga.....	7
Cápiz.....	3	Pangasinán.....	5
Cebú.....	1	Paragua.....	1
Iloilo.....	2	Rizal.....	38
Ilocos Norte.....	6	Surigao.....	1
Ilocos Sur.....	8	Tárlac.....	1
Isabela.....	1	Tayabas.....	4
Laguna.....	5	Unión.....	8
Leyte.....	8	Zambales.....	5
Manila.....	109	Samar.....	1
Marinduque.....	2		
Misamis.....	1	Total.....	253

THE MORO PROVINCE.

With the establishment of the Moro Province on June 1, 1903 (act of the Commission, No. 787), Dr. N. M. Saleeby, who had formerly familiarized himself with the country and its people through ethnological work, was appointed superintendent of schools. The superintendent of this province is not under the direct supervision of the bureau of education. He has, however, submitted reports regularly to this office, and has by other means kept the general superintendent of education advised of the progress of educational work among the Moro people.

The organization of school work in the Moro Province is similar to that in other parts of the archipelago, except that the very large area to be covered, and difficulties of transportation, require there rather more independent action on the part of local supervisors. The superintendent has, however, appointed a deputy in Davao, who represents and acts for him in all matters of importance. The legislative council of the Moro Province has also provided for an assistant superintendent.

Doctor Saleeby's annual report follows:

The general features of the school work of the past year fiscal are: A better organization of the school system, a uniform and well-adapted course of instruction, the establishment of several additional primary schools, one secondary school and one trade school, a marked increase in enrollment, more efficiency in the teaching force, and the construction of several new school buildings. The schools of this province have entered upon the new year well housed and fully equipped. Close supervision in almost every particular was maintained over all the schools of this province, and a systematic method of inspection was conducted, with the help of two deputy superintendents of schools, one for the district of Zamboanga and one for the district of Davao. The work of this office was conducted in harmony with that of the general superintendent of education, and the general policy and regulations of the bureau of education were closely followed.

SCHOOLS.

In addition to the schools mentioned in Table No. I, there were established in the month of July, 1905, a trade school at Zamboanga and a primary school at Dipolog. Toward the end of August, 1905, it was found necessary to move the Moro girls at Zamboanga to a separate school building, and thus organize an additional primary school. This renders the number of the schools in operation at this date 56. The schools which were established during the past school year are those of Cateel, Baganga, Caraga, Maybung, Dapitan, and Tubaran.

At the town of Zamboanga considerable attention was given to the subject of school organization and methods. Here new plans were made and methods were tested. The schools of the town are in advance of all other schools, and every new step in the organization of a grade of instruction has been taken here first. The Christian population of the town has given the public schools preference over the parochial schools, and the attendance of the schools was double the number it reached at the end of the previous year. The Moro population of the town has taken a strong interest in education, and Moro pupils of both

sexes attend school regularly and take considerable pride and interest in their studies. The success of the Moro schools of Zamboanga in establishing a desire and a habit in Moro pupils to go to school is a great encouragement to the department, and is strong proof of the adaptability of the Moros to our system of education.

In the barrios of Zamboanga interest in the parochial schools has diminished and the attendance of the public schools has improved considerably. Ayala and Curdan are the only exceptions that can be cited. No progress has been attained in either of these towns, on account of the determination of the people of the former locality to oppose the local interests of the municipality and the indifference of the people of the latter place to education in general.

In spite of the unfavorable attitude of the Jesuit priests of the municipality of Dapitan, schools have been established at Dapitan and Dipolog. The latter town is next to Zamboanga, the largest town in the province, and its people are generally considered industrious and progressive. A fair degree of success has been attained at Dapitan, but nothing definite has been reported from Dipolog yet.

Good results were accomplished at Joló in spite of very unfavorable conditions. The parochial school which was established last year did not last long and closed before the termination of the past fiscal year. The attendance of the Moro pupils was fairly satisfactory and considerable progress was made in their instruction and discipline. The attendance of Moro pupils in Siassi and Bongao improved markedly. The school of Bongao was conducted by a young Moro teacher, a former pupil of the Joló school, and the school enrollment was more than five-sixths of the entire school population of that locality. The teachers of Siassi and Bongao received considerable support and aid from the constabulary officers in command at those places. The school Maymbung was fairly well started when hostilities between the Moros of that vicinity and our troops broke out, and the school had to be temporarily closed. The Sultan of Sulú provided a house for the residence of the teacher, but otherwise it can not be said that he supported the school very materially.

The schools of Iligan were very well attended and were successfully conducted. The public sentiment was very favorable and the municipal officers gave the schools considerable support. The municipality paid for the school lot on which the new school building was erected.

The municipality of Malabang, under the direction and supervision of Colonel Reed and Lieutenant Fuqua, Twenty-third United States Infantry, built a new and commodious schoolhouse and enforced the attendance of children in school. Continued interest in the school has been manifested this year by the officer in command of the Nineteenth Infantry at that station, and an assistant teacher has lately been provided to meet the requirements of a considerable increase in attendance. The vicinity of Tubaran to Camp Vicars and the remarkable attitude of Datu Amay-Tampugaw, renders that place a very favorable locality for a small school. No other locality in the vicinity of Lake Lanao will at present tolerate a public school, and every means should be taken to continue the school of Tubaran and to render it a good example for the rest of that neighborhood.

The establishment of parochial schools for boys and girls at Cotabato drew away a part of the Christian pupils of our schools and for a while reduced its enrollment considerably. But the return of some of these pupils and the admission of about 30 Moro pupils has, however, refilled the school and very little change in attendance could be observed. The school of Parang was closed temporarily on account of the moving of the inhabitants to a new town built in the vicinity of the old one.

The district of Dávao claims three of the seven new schools established last year. These are Caraga, Baganga, and Cateel. These towns are the largest centers of population in the district and each one of them is the center of a municipality of the same name. Moderate success was accomplished at Caraga and Cateel, but the progress of Baganga was exemplary. The school there is coeducational and had the largest enrollment of any single school in the province. The percentage of children in school was also higher than in almost all other localities. This was due, in a large measure, to the influence of the municipal president and the zeal he manifested in the cause of education in his town.

The schools of Dávao, Matina, Daleso, Santa Cruz, Sigaboy, and Mati were well attended and produced satisfactory results. Prior to the beginning of the present fiscal year there were no regular parochial schools at any of these places, save at Dávao and Mati, where an hour or two of religious instruction was given by the priests at such hours as did not interfere with the programmes of the public schools. A change has, however, occurred during the month of July, 1905, when four "Madres" arrived at Dávao and organized a school for the girls on similar lines to the parochial schools already established at Zamboanga and Cotabato. This action on the part of the Jesuit priests is in accord with the general policy adopted by them in all other places, and has been expected for some time.

On the whole, the public sentiment toward the public schools has improved very perceptibly and a demand for more schools has come from several localities. The enrollment of the schools for the past school year has increased to 3,617 as against 2,114 of the provincial year.

The attitude of this department toward the parochial schools was rather friendly than neutral, and no religious or political sentiment on the part of the teachers had been allowed to interfere with their school work or mar their relation toward the community.

THE NATIVE TEACHERS.

The native teachers in the service of the province are 64—6 Moros and 58 Filipinos. Two of the Moro teachers have no knowledge of English at all, but the other 4 have received all their education and training as teachers in our schools. One of these 4 has completed Grade III, and attended two months of regular instruction in Grade IV. He is capable of teaching Grade III. The other 3 have completed Grade II, and have had two months' instruction in Grade III. They are capable of teaching Grade II. Of the 58 Filipinos teachers on duty, there are 2 who teach only Spanish and have no knowledge of English at all, while 56 have received instruction in English and teach in English without exception. Nine of these 58 were formerly teachers in Spanish schools. Seventeen received all their education and training in our schools. The remaining 32 had some elementary education in the parochial schools prior to their appointment as teachers. Twenty-five are females and 33 are males. Fourteen were in the service of the bureau of education, while 50 were appointed after the organization of the Moro Province. Thirty-two Filipino teachers have had considerable instruction in Grade III, and have an education equivalent, on the whole, to a primary course of three years; of these 22 are in Grade B, 4 in C, and 6 candidates for D. For the purpose of normal instruction all native teachers have been divided into three classes. The first class is 11 and comprises all those who are able to teach Grade I but need instruction in Grades II and III. The second class is 39 and comprises all those who can teach Grade II but need instruction in Grade III. The third class is 10 and comprises all those who can teach Grade III and desire either instruction in Grade IV or preparation for the Filipino teachers' examination. As the English language has been made the basis of education, and all instruction is conducted in the English language in all the schools of the province, an adequate knowledge of English has no doubt become the most important qualification of the native teacher, but this is by no means the only requirement they have to meet. Their knowledge in the fundamental subjects of arithmetic, geography, and history is very insufficient and should be developed in such a manner as not only to impart more knowledge alone, but ability and method for its proper conveyance to the pupils in English. For this purpose all American teachers serving outside of the town of Zamboanga have been directed to give their native assistants daily and regular instruction in all branches they are expected to teach. In the town of Zamboanga a Saturday class has been organized on the same plan as a regular normal institute, and attendance upon the same has been required of all native teachers living within a radius of 10 miles from the town. One normal institute for the native teachers of the district of Zamboanga was held in the town of Zamboanga during January and February, while another normal institute for teachers serving in the district of Davao was held in the town of Davao during April. By these means the efficiency of the native teacher is gradually raised and the quality of his teaching is improved from year to year. Such improvement must, however, be slow, and nothing more than a normal course of progress can be expected of the majority. The civil-service grade of the Filipino teacher is still being regarded as the future qualification of all native teachers and the highest course in the normal institute has been planned with that in view. The services of the majority of the native teachers have been very commendable and general satisfaction with their work prevails throughout all districts. The greater number of the Filipino teachers are men, but the number of women teachers has been lately increasing at a higher rate, and more women at present seem to be available for new appointments than men. More women are accepting positions away from their homes, while the greater part of the men seek higher education in the provincial secondary school or follow other vocations of life.

The conditions of labor exert further influence on schools and teachers. Nothing is more evident in the schools of Davao, Iligan, Joló, Siassi, Bongao, Cotabato, and other localities than the absence of adult pupils and the scarcity of material that goes to make native teachers. Where the people are poor or there is a strong demand for labor, only young pupils attend the schools and the position of native teacher affords no strong invitation to the adult youth. Zamboanga and its vicinity still hold out as our main source of supply for native teachers. The students of the provincial secondary school are at present receiving the highest education that has ever been given on the island of Mindanao, and are more advanced in many particulars than all the native teachers in the service, but their age, ambition, and the strong public desire for a better educated class of young men, bar these youths from entering the teaching service, and give a strong hope of the future availability of better material for all needs and purposes.

THE AMERICAN TEACHERS.

Upon the American teacher as a school-teacher and as an educator and trainer of the native teacher rests the whole success of our system of public instruction. In this province the American teacher must found all municipal schools and fill all vacancies which can not be filled by a competent native teacher. He has to teach the heathen and the Moro as well as the Filipino. He must teach the higher grades and must train the native teacher also. The school system of this province has not passed its first stage yet. It is our policy for the future to reserve all American teachers for higher education, but the organization of the central municipal school must precede every other consideration. Our pressing need at present is sufficient primary schools for the principal centers of population. Such organization and the difficulties set in its way can not be efficiently accomplished by native teachers; besides, no adequate and competent native teaching force is available. The organization of schools for the Moros and the planning of suitable methods and courses of instruction for Moro pupils require the ingenuity and ability of an American teacher. American teachers had to be stationed at such remote places as Caraga, Baganga, and Cateel. The degree of education reached by the Bogobos of Santa Cruz required the ability and influence of an American teacher to keep it up, and such a teacher had to be reassigned to that place after having been withdrawn. Such being the case, the assignment of American teachers to primary schools should be regarded as a matter of necessity rather than a choice of better material. But as the organization of the primary schools becomes fairly well completed, and the native teachers attain the proper qualifications and the ability to conduct such work, the American teacher will be withdrawn from the municipal schools and will be reserved for higher institutions, and their number may be kept or diminished as may be determined by future conditions and circumstances.

The American teaching force on duty at this date is 27; the number authorized by law is 29. The disposition made of this force is as follows: One assistant superintendent of schools in charge of the schools of the district of Zamboanga; one deputy superintendent of schools in charge of the district of Davao. These two officials act as inspectors of schools and conduct a systematic method of school inspection and supervise the work of teachers serving in their respective districts. Their chief attention is given to the schools conducted by native teachers; they should frequently visit these schools and give directions and instructions to the native teachers, both in matters pertaining to the school management and methods of instruction and in the subject-matter of the branches taught in the school. The remaining 25 do actual teaching; 2 are assigned to the secondary school; 1 is a general instructor of music, and 22 in charge of primary schools at various places throughout the province.

The work of the American teachers has been most commendable and pleasing in almost every particular. In many instances they have to live where no other white person was living and where it is very difficult to procure the proper food supplies and the necessary medical attention in case of illness. They have overcome local prejudices, and have applied themselves to the work they have in hand with full courage and perfect fidelity.

THE COURSES OF INSTRUCTION.

In spite of the fact that native teachers are, on the whole, unable to teach third-grade classes satisfactorily, the assignment of so many American teachers to primary schools has made it necessary to render the primary course of instruction for this province cover four grades or years in place of three, as prescribed by the general superintendent of education. This, however, does not affect the harmony that exists between the instruction given in this province and that given in the various divisions of the bureau of education, for the quality of the grades and the character of the various courses given have not been changed at all. The courses of instruction as outlined by the general superintendent of education are believed to be eminently fitted for all schools and all localities, and have therefore been adopted in their entirety. But in applying them to particular localities in this province, it has been deemed advisable to add Spanish to Spanish-speaking pupils and Moro to Moro pupils. This is regarded as a reasonable concession to popular demand and will certainly win a desirable public sentiment and considerable public support. Moreover, it can not be ignored that instruction in Spanish and Moro is of material educational value to Spanish and Moro speaking pupils respectively.

The classification of the pupils of all the schools of the province is uniform. The textbooks used everywhere are the same. The results of this order and uniformity are very evident and most gratifying. Classes are moving forward regularly and steadily, and no time or effort is lost on account of the error, irregularity, or indecision of the individual teacher. Strict attention has been required for the observance of an approved form of school programme and for the keeping of statistical records and property account books.

The highest grade of instruction is Grade V, and is taught at present in the provincial secondary school at Zamboanga only. Fourth-grade classes are taught at Joló, Cotabato,

and Iligan. Almost all the schools conducted by American teachers have Grades III. About seven schools conducted by Filipino teachers have classes in Grade III. Pupils from three of these schools were able to pass a creditable examination in Grade III, and were admitted into the secondary school. There are at present in the schools of the province more than 250 pupils in Grade III, about 50 in Grade IV, and 14 in Grade V.

Ample provision has been made in the courses of study for instruction in music or singing, drawing, gardening, sewing, handiwork, dressmaking, and physical exercise. These provisions have been fully carried out in the city of Zamboanga, where teachers could be found capable of teaching one or the other of these various branches. At other localities as much can be done as the individual teacher is capable of doing. Greater stress has been laid on penmanship during the first two years of the course. Drawing is begun in the third year and continued for four consecutive years. A special teacher of music has this year been engaged in Zamboanga and regular instruction in this branch is being given in all the schools of the town. The same teacher will probably be able to render some help to other teachers outside of Zamboanga a little later in the year. A regular course in sewing has been established for all girls' schools, and books containing specimens for the various grades of the course are being prepared for distribution to help and guide the teachers and to secure efficiency and uniformity. Lessons in nature studies and practical gardening have been given at the secondary school, while an effort is being made by many teachers to beautify the school grounds and start flower beds and plant trees around the school buildings. The girls attending the secondary school receive regular instruction in sewing and dressmaking twice a week. Physical drills and outdoor games and exercises are given in many localities and regular instructions will in the future be prepared and circulated for the use of all schools. The baseball teams organized last year by the Filipino and Moro pupils of Zamboanga have been continued this year and receive regular exercise about three times per week. Effort is being made to organize another baseball team at Davao.

THE MOROS.

Everything considered, the attendance of Moro pupils has been rather encouraging in all localities where peace prevailed. The success accomplished by the Moro schools of Zamboanga proved without doubt in the mind of the undersigned that the Moro is perfectly capable of adapting himself to our system of education, and that such a system is as eminently adaptable to his development and training as it is to his Christian brother of the northern islands. A friendly feeling of the community toward the government is, however, essential; without this no Moro pupil can be expected to seek a new and radically different form of education. The Moro pupil seems at first unruly and out of place in a quiet, orderly schoolhouse. The whole atmosphere of a public school is new and strange to him. But strange as they may be, he soon gets accustomed to his new surroundings, and as he begins to understand English he takes to it with full interest and develops similar aptitude and inclinations to those which characterize the Christian Filipino. His surroundings, however, and the life he leads do not in any way render him as receptive and adaptable to such instruction as music, but the natural aptitude is there, and a little patience and perseverance on the part of the teacher are bound to bring good results.

About 400 Moro boys attend school at Zamboanga, Jolo, Maybung, Siassi, Bongao, Taluksangay, Tubaran, Malabagan, and Cotabato. The course of instruction given to the boys does not differ from the general course in any particular whatsoever, except that it provides for the study of a Moro reader in addition to all other studies. The late publication of two Moro readers, one in Sulu and one in Magindanaw, has been of great help to the department. The study and instruction of Moro have thus been defined and facilitated and reduced to a method that can be very conveniently conducted in harmony with the general system. A demand for these readers from persons not connected with the school work of the department, and other evidence seem to indicate that they have met with considerable public approval.

The education of the Moro girls has not yet progressed beyond the second grade. Moro handiwork will, however, be introduced into the course, so as to render their instruction more industrial than that of the Filipino girls and more adapted to their needs and aptitude.

THE PROVINCIAL SECONDARY SCHOOL.

The provincial secondary school has been by far the most valuable addition to our system of public schools. It supplied that long felt need of the province for a higher organization than the primary school, and added tone and dignity to the whole system. It was established on July 18, 1904, and the first class admitted into it was composed of 29 Filipino pupils, 26 males and 3 females. The impracticability of keeping the American children of the town in the primary schools suggested the advisability of affording them an appropriate and adequate education in connection with the secondary school, and

17 American children were admitted into the school during the year. The school proved eminently suitable for this purpose, and the presence of the American children worked to an advantage in many respects. The administration of this school has been of the most satisfactory character and the courses of instruction prescribed by the general superintendent of education for the intermediate grades were completely followed and were carried out in a very creditable manner. The principal of the school kept an historical record of all matters of interest that transpired in connection with the school, and by a system of grading, monthly examinations and reports, kept the parents of the children in touch with the work of the school. Full attention was paid to discipline and deportment, and the speaking of English was encouraged and enforced all the time the pupils were within the school building.

The present year began much more auspiciously. More girls and a better grade of pupils have been admitted. The present attendance of the school is 47 Filipino pupils and 15 American. Sixteen of the native pupils passed last year's examination in Grade IV, but 14 reentered the school in Grade V. The new regular class is composed of 27 boys and 6 girls, all of whom passed satisfactory examinations in Grade III prior to admission. On account of the lack of facilities and accommodations this privilege has not, however, been extended to pupils living outside of Zamboanga, and the nonexistence of graduates of Grade IV outside of the town of Zamboanga necessarily restricts attendance in the secondary school to Zamboanga pupils. It is greatly desirable that practicable facilities be next year afforded the pupils of other towns, so that they may be able to avail themselves of the privileges of this school. This lack of preparedness on the part of the provincial school to take in pupils from the other districts renders it all the more desirable that American teachers serving outside of the town of Zamboanga teach Grade IV in their schools.

THE TRADES SCHOOL.

The undeveloped economical resources of this province render the introduction of certain trades and industries of vital importance to the future welfare of the country and its people. The marked lack of industry among the Christian population of this province and the primitive condition of Moro industries emphasize the need of stimulus and training for industrial activity.

The absence in the city of Zamboanga and throughout the district in general of native ladies' dressmakers, hat, basket, mat, and rope makers, weavers, shoemakers, traders, good farmers, merchants, and men with any degree of professional or literary training above the elementary grade, is simply surprising. The general condition of the country is one of poverty and helplessness, and its most pressing needs are material and industrial. The establishment of a trades school for this province is therefore one of the most efficient means and measures at the disposal of the government for remedying such a condition of things. Such a school should aim at introducing such needed industries and trades as are easy of acquirement and practical of application to the wants of the people. It should also afford its pupils sufficient instruction and preparation, so that when they graduate they may go into the world with a useful trade and industrious habits that will guarantee them a living better and more comfortable than that enjoyed by their fathers.

There is no indication at present that the province is prepared to support any well-provided school of this character, but the little that can be done shall be undertaken upon these lines and shall be utilized to the best advantage possible. One teacher has so far been appointed for this purpose, and two girls' classes for sewing and dressmaking have already been started, but as this project has not yet been fairly well organized, a fuller report on the same will be made at a future date.

SALARIES AND EXPENDITURES.

The schools have entered upon the second year of the organization of this province fully supplied and well provided in every particular. They are well housed and sufficiently provided with furniture, books, and supplies. There is no school that is not well provided with seats, desks, books, and the usual articles of school supplies. The teaching force can well accommodate double the present attendance in several localities, and there is no reason why the best work of which the teachers are capable should not be accomplished everywhere.

The sum of ₱115,873.79 was appropriated last year for salaries of teachers and school supplies and expenses. This sum was apportioned as follows: For salaries of native teachers, ₱26,036; for the salaries of American teachers, ₱54,844; for janitors, ₱552; for supplies, ₱21,000; for repairs of public school buildings, ₱5,700; for rents, ₱3,800; for transportation, ₱1,600; for night schools, ₱1,728; for other contingent expenses, ₱742. Of the total sum appropriated, ₱102,345 was expended, and ₱13,528 remained unexpended.

In addition to this, the sum of ₱10,725 was expended for the construction of school buildings, making the total expenditure of the schools for all purposes ₱113,070. The administration of the office of the superintendent of schools cost the province ₱12,302. This renders the total expense of maintaining the department of schools for the province ₱125,372. In round numbers the province expended ₱125,000 for the cause of education out of an income of about ₱515,000, or approximately 24 per cent of its total revenue.

The new school buildings which were constructed during the past fiscal year are as follows: Davao, one building at a cost of ₱6,421.58. A great part of this sum was appropriated previous to July 1, 1904. Iligan, one building at ₱3,001.99; Manicahan, one building at ₱1,220; an extension of the Filipino boys' schoolhouse of Zamboanga at ₱1,000. In addition to the above, about ₱3,000 have been appropriated for a schoolhouse at Mati, which is at present in the course of construction.

Of the total sum of ₱5,700 appropriated for repairs of school buildings, only ₱4,138.60 was expended. Repairs were made at the following localities: Ayala, Sinonoc, Tetúan, Mercedes, Catumbal, Zamboanga, Siassi, Matina, Santa Cruz, Baganga, Cateel, Polloc, and Joló.

Fourteen buildings are rented at present for school purposes at a monthly cost to the Government of about ₱320.

The schools which are most in need of school buildings at present are Baganga, Isabela, Joló, Dapitan, and Dipolog. School grounds in many places require fencing and more attention, and it is hoped that within a reasonable period of time most of the buildings which are rented at present will be replaced by new and more adequate public structures.

Towns and villages of the province provided with schools, the percentage of enrollment, and the distribution of teachers, 1904-5.

Town.	Town population.	School population.	Enrollment.	Attendance.	Per cent of children in school.	Schools.				Total.	Teachers.			Schoolhouses in province.
						Day.					American.	Native.	Total.	
						Primary.	Provincial.	Total.	Night.					
Ayala.....	750	150	30	20	20	2	2	2	2	2	2	2	2	2
Boalan.....	300	60	53	32	88	2	2	2	2	2	2	2	2	1
Bolong.....	450	90	64	48	71	2	2	2	2	2	2	2	2	1
Bongao.....	150	30	26	20	87	1	1	1	1	1	1	1	1	1
Baganga.....	1,200	240	200	167	83	1	1	1	1	2	1	2	3	1
Caraga.....	1,090	218	105	70	50	1	1	1	1	1	1	1	2	1
Catal.....	2,000	403	175	50	43	1	1	1	1	1	1	1	2	1
Catumbal.....	400	80	40	30	50	1	1	1	1	1	1	1	1	1
Curuan.....	346	69	15	8	22	1	1	1	1	1	1	1	1	1
Cotabato.....	931	186	120	75	64	1	1	1	1	2	2	2	2	1
Davao.....	1,010	206	190	130	92	2	2	2	1	3	3	2	3	1
Daleao.....	350	70	63	50	90	1	1	1	1	1	1	1	1	1
Isabela.....	600	120	50	30	41	2	2	2	2	2	2	2	2	1
Iligan.....	2,500	500	250	150	50	2	2	2	1	3	2	2	4	1
Jolo.....	1,270	254	189	75	74	2	2	2	1	3	2	2	4	2
Manicahan.....	1,033	206	82	44	40	2	2	2	2	2	2	2	2	1
Mercedes.....	2,643	528	140	60	26	2	2	2	2	2	2	2	2	2
Malabang.....	800	160	120	50	75	1	1	1	1	1	1	1	2	1
Mati.....	693	138	60	30	43	1	1	1	1	1	1	1	1	1
Matina.....	392	78	70	47	90	1	1	1	1	1	1	1	1	1
Maybunga.....	700	140	40	20	28	1	1	1	1	1	1	1	2	1
Parang.....	300	60	30	15	50	1	1	1	1	1	1	1	1	1
Polloc.....	300	50	50	30	83	1	1	1	1	1	2	2	2	1
Putig.....	400	80	52	24	65	2	2	2	2	2	2	2	2	1
Sinonoc.....	600	120	60	28	50	1	1	1	1	1	2	2	2	1
San José.....	600	120	75	40	62	2	2	2	2	2	2	2	2	1
Santa Maria.....	1,000	200	100	46	50	2	2	2	2	2	2	2	2	2
Santa Cruz.....	600	120	100	62	83	1	1	1	1	1	3	3	3	1
Sigaboy.....	300	60	48	30	80	1	1	1	1	1	1	1	1	1
Siassi.....	800	160	100	30	62	1	1	1	1	2	1	1	2	1
Talon Talon.....	750	150	110	50	73	2	2	2	2	2	2	2	2	1
Tetdan.....	2,450	490	130	70	27	2	2	2	2	2	2	2	2	2
Talukankay.....	1,000	200	70	30	35	1	1	1	1	1	1	1	2	1
Dapitan.....	1,768	353	70	35	20	1	1	1	1	2	1	1	2	1
Tubaran.....	300	60	30	17	50	1	1	1	1	1	1	1	1	1
Zamboanga.....	5,000	1,000	510	320	60	3	1	4	2	6	7	8	13	4
Total.....	35,776	7,165	3,617	2,033	51	52	1	53	9	62	25	64	89	45

Salaries of native teachers on duty July, 1905.

Rate of salary.	Males.	Females.	Total.	Total salary.
At ₱ 15 per month.....	2	3	5	₱ 75
At ₱ 20 per month.....	6	13	19	380
At ₱ 25 per month.....	10	6	16	400
At ₱ 30 per month.....	11	1	12	360
At ₱ 35 per month.....	2	2	4	140
At ₱ 40 per month.....	2		2	80
At ₱ 50 per month.....	5		5	250
At ₱ 60 per month.....	1		1	60
At ₱ 70 per month.....	1		1	70
Total.....	40	25	65	1,815
Average salary female teacher.....				₱ 22.22
Average salary male teacher.....				31.50
Average salary native teacher.....				27.00

Number of American teachers and their salaries during the year 1904-5.

	Number authorized.	Number used.	Difference.	Salary per year.
Class 7.....	1	1		\$1,600
Class 8.....	1	1		1,400
Class 9.....	15	1	+6	1,380
		1		1,300
		7		1,200
Class 10.....	7	1		1,140
		6		1,000
Class A.....		5	-5	900
Class C.....	4	3	+1	720
Total.....	28	26	+2	

Number and estimated value of school buildings in province June 30, 1904-5.

Town.	Number of buildings.	Rent-ed.	Municipal.	Provincial. ^a	Rent per year.	Value.
Ayala.....	2		2			₱ 2,500
Boalan.....	2	2			₱ 180	
Bolong.....	1	1			120	
Baganga.....	1		1			600
Catumbal.....	1		1			600
Curuan.....	1	1			48	
Cotabato.....	1		1			2,000
Davao.....	1			1		7,706
Daleao.....	1	1			180	
Isabela.....	1		1			300
Iligan.....	1			1		4,200
Joló.....	2		2			2,000
Manichan.....	1			1		2,902
Mercedes.....	2		2			4,500
Malabang.....	1		1			1,500
Matl.....	1			1		3,275
Matina.....	1			1		500
Maybung.....	1	1			120	
Parang.....	1	1			144	
Polloc.....	1		1			1,000
Putig.....	1		1			200
Sinococ.....	1		1			500
San José.....	1	1			144	
Santa Maria.....	2		2			4,000
Santa Cruz.....	1			1		1,000
Sisal.....	1			1		400
Talon Talon.....	1		1			800
Taluksangay.....	1	1			144	
Zamboanga.....	4	2	2		1,560	5,000
Dapitan.....	1	1			180	
Calet.....	1		1			2,000
Caraga.....	1		1			2,000
Sigaboy.....	1		1			200
Tubaran.....	1	1				
Bongao.....	1			1		500
Tetuan.....	2		2			4,000
Total.....	45	13	24	8	2,820	54,192

^a All these schools were constructed during this year.^b This building was vacated by United States troops.^c This amount is below that actually paid for rent. More buildings were rented during first nine months.

CIRCULARS SENT BY THE GENERAL SUPERINTENDENT OF EDUCATION TO
DIVISION SUPERINTENDENTS AND TEACHERS.

[No. 73, series 1904.]

MANILA, October 22, 1904.

REPORT BY GRADES AND ESTIMATES FOR 1904-5.

A report is desired from each division superintendent showing the number of pupils in each grade in each town or district of his division. As an example of what this report should embody, a copy is inclosed of a report which has just been made by the division superintendent of schools for Pangasinán. To prepare such a report it will probably be necessary for the division superintendents to visit personally a considerable number of the towns, especially where the American teachers are new or where an insular native teacher is in charge, and there regrade and reorganize the classes.

A similar report should be prepared upon a second sheet giving as close an estimate as possible of the number of students expected to present themselves for each grade at the opening of the next school year. In the school year 1905-6 the first year of the secondary courses, with few exceptions, will constitute the most advanced work offered in the schools. Thus, in the estimate for next year's attendance, the qualified students expected to present themselves for secondary work may be indicated, for convenience, as grade VII.

This second report will be used in ordering books and supplies for the coming year, and for this reason it is desired that the information should reach this office not later than the end of November.

GENERAL SUPERINTENDENT.

[Supplement to No. 73, series 1904.]

Summary of the pupils properly graded in the schools of each town in the province, September 1, 1904.

Town.	Number of pupils—						Total.
	Grade I.	Grade II.	Grade III.	Grade IV.	Grade V.	Grade VI.	
Lingayén (provincial high school).....		99	99	101	61	19	379
Alaminos (grammar school).....			28	30	24	3	85
Asingan (grammar school).....			92	57	35		184
Agno (municipal school).....	366	43	35				444
Alaminos.....	505	247					752
Alcalá.....	312	25	12				349
Anda.....	292	50					342
Asigan.....	668	121	125				914
Bani.....	250	37					287
Bautista.....	365	66	55				486
Bayambang.....	110	80	65	8			263
Binalonan.....	521	194	43	45			803
Binnaley.....	304	89	75				468
Bolinao.....	136	41	13				190
Calasiao.....	485	130	68				673
Dagupan.....	516	362	51	48			977
Infanta.....	40						40
Lingayén.....	576	362					938
Malasiqui.....	344	85	45				474
Manaoag.....	778	77	12				867
Mangaldan.....	545	70	12				627
Mangatarem.....	1,155	362	66				1,583
Pozorrubio.....	321	46	11				378
Rosales.....	149	97					246
Salasa.....	661	66					727
San Carlos.....	560	80	53				693
San Fabián.....	272	20					292
San Isidro.....	281	61	47				389
San Nicolás.....	187	124					311
San Quintín.....	173	55					228
Sual.....	517	34					551
Tayug.....	420	196	95				711
Umingan.....	224						224
Urdaneta.....	578	83					661
Villasis.....	343	60					403
Total.....	12,954	3,462	1,092	289	120	22	17,939

[No. 76, series 1904.]

MANILA, *October 26, 1904.*

USE OF NATURAL OBJECTS IN THE PRIMARY COURSE.

The courses of instruction (Bulletin No. 7) provide that work shall be done with natural objects in the primary course in conjunction with the work in language and arithmetic. They are to be used primarily to furnish an attractive basis for conversation or mental arithmetic and to quicken the powers of observation. It is not expected that much will be accomplished in these grades in the way of reasoning about objects of nature or in the acquisition of information concerning them. No special effort should be made in that connection, save what is incidental to the conversation, composition, etc. The pupils should be taught technical names only of very general character, i. e., fin, gill, petal, stamen, etc. Such words as cordate, serrate, petiole, anther, etc., should not be introduced before the plant lessons of grade IV, and there the use of them should be minimized.

Hodge's *Nature and Life* has been distributed for teachers' reading. This book should be helpful to American teachers who have not had special preparation for this work, and many Filipino teachers are prepared to read it with profit, but the material treated is almost altogether foreign to the Philippines, and the methods suggested are more adapted to the intermediate than to the primary course. No attempt should be made to teach from this book. Conditions of plant and animal life are so various in the Philippines that it is doubtful whether any single text could be used to advantage. The Filipino teacher has excellent opportunity to show his originality in this connection. He must be impressed that the text is "all out-doors," and especially in the vicinity of his own schoolhouse. He must choose from it with judgment for each bit of new work.

The property clerk has been directed to supply division superintendents with sufficient copies of Coulter's *Nature Study Reader*, in addition to requisitions for class use in grade IV, to provide a copy for each teacher, Filipino as well as American. This little book treats of common Philippine plants and should be helpful to the primary teacher in this connection.

The native names for plants and animals should be used and preserved. In the great majority of cases no English equivalent exists, and the native names have a descriptive character. Reports by native teachers upon their school work with local plants and animals, giving sufficient data for scientific identification, will help greatly in solving the synonymy of native names for natural objects—a thing which seriously impedes the preparation of a text-book for general use in this connection.

Teachers who show special aptitude for such work may, upon the recommendation of the division superintendent, be supplied with collecting materials by this office. The idea of a little natural history museum in connection with the schoolhouse should be encouraged.

GENERAL SUPERINTENDENT.

[No. 78, series 1904.]

MANILA, *October 29, 1904.*

SCIENCE WORK IN INTERMEDIATE AND SECONDARY SCHOOLS.

The bureau of education has been requested by the bureau of agriculture to disseminate certain important information concerning abacá in the 21 provinces which produce it. A communication upon this point by the fiber expert of the bureau of agriculture accompanies this circular. Sufficient copies of the *Farmers' Bulletin* upon abacá will be provided so that every student in the intermediate course in the hemp-producing provinces may be supplied. It is directed that this bulletin, as well as Mr. Edwards's separate communication shall be used as subject-matter in connection with the plant lessons of Grade IV. This work may follow the study of the banana with the "Nature Study Reader."

This is an important instance of the service which may be rendered by our science teachers in acting as intermediary between the work of the scientific bureaus and the people of his province. This service will rapidly increase as the secondary courses are established. Every teacher of the science subjects should have his name on the mailing list of the scientific bureaus of the government. He should cultivate the acquaintance and seek the cooperation of the important planters of his province, and ultimately something analogous to the farmers' institutes of America might be organized and prove of great benefit.

In this connection I desire to know whether you consider your present teacher of science in the provincial high school capable of developing this work along the lines which have been suggested. The bureau desires as science teachers a corps of men who combine enthusiasm for this work with a willingness to specialize in it, and who have had adequate preliminary training. If you consider that you have no teacher in your division so qualified, this office should be notified of that fact.

GENERAL SUPERINTENDENT.

[Supplement to No. 78, series 1904.]

NOTE ON THE CLEANING OR EXTRACTION OF ABACÁ.

The stripping of abacá should be done within twenty-four hours after the cutting of the stalk. If left a longer time than this the fiber is liable to become discolored and weakened. The quality of the fiber, its fineness, color, and strength, depend principally upon the kind of knife used in the stripping process. With a knife having teeth, or a serrated edge, the fibers are only partially separated and only a portion of the pulp is removed. The work is easy and the yield is greater than where the smooth-edged knife is used, but the fiber is very inferior in quality. With a knife having a smooth-edged blade the work of fiber stripping is more difficult, but a very superior fiber is obtained.

As a result of using serrated stripping knives the world's markets are being flooded with quantities of half cleaned, inferior stuff, which is sold as abacá or Manila hemp. The great manufacturers of rope and cordage are becoming disgusted with abacá, having received so much of this poor fiber, and are substituting for it sisal hemp and other fibers. The question is a very serious one for the reason that the industrial prosperity of the Philippine Islands is largely dependent on the condition of the abacá industry. The fiber producer and the fiber stripper should be made to understand that the ultimate result of this inferior fiber production will be a lessened demand for abacá, lower prices, and possibly a ruined industry. The first and most important step toward securing a better quality of fiber is the discarding of the serrated stripping knife.

H. T. EDWARDS,
Fiber Expert, Bureau of Agriculture.

[No. 82, series 1904.]

MANILA, November 25, 1904.

A SCHOOL JOURNAL.

Arrangements have been concluded for the publication of a Philippine school journal to be called the Philippine Teacher. It is the present plan to issue a semimonthly publication of 32 pages, the page size being that of the Official Gazette. The first number will appear early in December. Copies are to be distributed gratuitously to all Filipino teachers, and at least the first three numbers to all American teachers.

It is my desire that the journal shall be thoroughly representative of the work and progress of this bureau and especially stimulating to the Filipino teachers. To this end the cooperation of all division superintendents and teachers is sought. The contents of the journal will be organized as follows: Leading article, briefer articles, general reading matter (especially for Filipino teachers), review of recent legislation, review of recent news of the world, editorial page, news of the bureau of education, news of other bureaus, department of courses of study, department of school buildings and grounds, department of sanitation, department of physical culture and athletics, notes for science students and special teachers, official notices, book reviews, and notes from exchanges. The news of the bureau will be largely made up of personal items concerning the teaching force, such as notes of transfers, promotions, illnesses, etc. It is desired that you should furnish or delegate someone to furnish such items for your division. Contributions on any subject pertaining to Philippine school work are invited.

GENERAL SUPERINTENDENT.

[No. 83, series 1904.]

MANILA, November 28, 1904.

ENGAGING IN PRIVATE ENTERPRISES.

Frequent requests come to the office of the general superintendent from teachers for permission to engage in private enterprises which require their active supervision and personal attention.

Your attention is invited to our circular No. 44, series 1904. In order that the position of this bureau may be made perfectly clear, you are informed that there is no objection to a teacher acquiring stocks or other interests so long as such interests do not require his active supervision and attention, and leave him free to give undivided attention to the service for which he is employed by the government.

In this connection there are quoted herewith two recent indorsements from the honorable the secretary of public instruction upon requests from teachers for permission to devote a certain amount of time to the supervision of personal interests:

"The engaging in business by school-teachers is not regarded with favor by this department, for two reasons: First, because in the Philippines all time at the disposition of the teacher is required by the demands of the service; second, because the relation of the teacher to the people is such that he can not, without impairing his value to the service, put himself in any position where his interests may conflict with the interests of those upon whose good will he must depend for successful schools.

"While there is no objection to the owning of a farm by a teacher, there is a decided objection to the devotion of his personal attention to its exploitation, for the reason that teachers so engaged can not be freely transferred or assigned as are other teachers, and for the further reason that no teacher can give proper personal attention to farming without in some measure neglecting his duties as a supervising instructor."

"Under the provisions of Act No. 926 a teacher who has the qualifications prescribed by that act is entitled to locate a homestead. It must be remembered, however, that the obligations imposed upon him by section 3 of the act in order to obtain a patent can not be fulfilled by him at the expense of his duties as a teacher. A teacher making application for a homestead stands in the same relation to the bureau of education as any other teacher. He is subject to assignment and transfer, and if his residence on the land or his cultivation of it interferes with his duties as a teacher, he must expect to lose his appointment.

"The duties of the supervising teacher are very exacting, and it is safe to conclude that if he does his full duty he will not have time for farming or for any other business. He might, of course, locate a homestead, reside on it, and hire some person to cultivate the land and to look after his interests in it. He should remember, however, that the time necessary for a proper supervision of the schools within his jurisdiction must be devoted to that purpose, and that none of it can be appropriated to the care of his personal interests.

"In this connection it may be well to state that teachers, above all other persons, can not occupy, nor will they be permitted to occupy, any position likely to bring about differences between them and the people among whom they live. Conflicts between the teacher and his neighbors, arising out of business matters, are sure to impair his efficiency and his usefulness to the bureau of education, and when such conflicts arise it can not be expected that the bureau of education will retain him any longer in the service."

GENERAL SUPERINTENDENT.

[No. 5, series 1905.]

MANILA, January 25, 1905.

DONATION OF BASEBALL OUTFITS.

The general superintendent takes great pleasure in announcing that one of the members of the Philippine Commission has ordered a large number of baseball sets, including bats, balls, mits, and chest protectors, and that he has offered these to the general superintendent of education, suggesting that one complete set of baseball equipment be awarded to the school in each division exhibiting the greatest progress in beautifying its school grounds. In all, there will be one set for each division.

These facts are indicated in order that this information may be given to the schools of each division at an early date and the teachers and pupils encouraged to enter the competition. A report is desired from the division superintendents toward the close of the school year recommending the school that has secured the best grounds and improved them the furthest, in order that these facts may be submitted to the commissioner.

GENERAL SUPERINTENDENT.

[No. 12, series 1905.]

MANILA, February 13, 1905.

PERMANENT SCHOOL MUSEUM.

It is the desire of the general superintendent to establish in Manila, prior to the beginning of the summer vacation, an exhibit of school work from the various divisions. A large space has been set aside in one of the buildings of the Philippine Normal School for this purpose. It is planned to make this exhibit of school work the nucleus of a pedagogical museum which will be a permanent feature of the normal school. It is believed that the collection will be of great interest and value to all teachers. Creditable and representative school exhibits can be made to excellent advantage at this time, near the close of a successful school year.

The collecting of material and the handling of necessary correspondence has been placed in the hands of Mr. A. R. Hager, who has just returned from the United States, where he has been in charge of the Philippine educational exhibit at the Louisiana Purchase Exposition.

Exhibits showing the industrial work of pupils, either in school or out, are particularly desired. The interest of an exhibit is much increased by showing, with either models or drawings of the apparatus used, the various steps in an operation, such as the making of a basket or hat, or the weaving of a piece of cloth from plant to finished product.

Photographs of the many new school buildings which have been constructed during recent months will be valuable material for exhibit. The photographs submitted should be of good size. If it is impossible to send large pictures, send negatives carefully packed, and they will be returned, if desired, after enlargements have been made.

Written work, unless it shows some interesting phase of local history or folklore, or some original method of instruction, is not particularly desired. Material that will illustrate new ideas in teaching or organization is especially wanted. Original methods along certain lines are probably employed in every school division in the Archipelago. Such of these features as are capable of illustration should have place in the exhibit.

The bureau of education has the promise of a considerable amount of material which was displayed in the education building of the Louisiana Purchase Exposition. When this arrives from the United States it will form a part of the collection for our pedagogical museum. Loan exhibits from Philippine sources are solicited. These will receive the best of care and may be removed at any time by the owners. It is probable that some of the materials collected from the Philippine schools during the next two months will be sent to the Lewis and Clark Exposition, which is to open in June, 1905, in Portland, Oregon.

Data of industrial exhibits should be very complete, including native names (with name of dialect), Spanish or American names, name of pupil or pupils making, name of school, time required in making, cost of materials, and any other information that will add to the interest and answer questions. You will receive within a few days copies of labels on which to note the data regarding exhibits. Have them filled in with as complete and accurate information as possible. Please hold material until you receive these labels. It is very essential, however, that collections be made promptly in order that the exhibit in Manila shall be in as complete form as possible at the opening of the vacation period.

Inquiries and suggestions are solicited, and may be addressed either to the general superintendent or to Mr. A. R. Hager, care of this bureau.

ACTING GENERAL SUPERINTENDENT.

[No. 14, series 1905.]

MANILA, *February 13, 1905.*

INCREASE OF LOCAL SCHOOL FUNDS.

Reports from a number of provinces indicate that many municipalities have acted upon the suggestion of the division superintendents in increasing the annual local appropriation for schools from one-fourth of 1 per cent to three-eighths, and in some cases to one-half of 1 per cent upon the assessed property valuation. Attention is invited to the inclosed form, which is used in various towns of the province of Unión. It is advisable that this additional appropriation be provided for in formal "act of council" in order to make sure that the extra money be given to schools instead of loaned, and included in the yearly estimate of expenses. Pursuant to opinion of the attorney-general of the Philippine Islands, municipal councils are free to exercise their discretion in so appropriating to the use of the schools funds derived from the land tax.

In all cases where possible, it is, of course, desirable to have the land tax for the calendar year carry the schools through to the end of the school year—that is, the land tax collected for 1904 should pay school expenses through to the beginning of the school year 1905-6. Where this can be brought about a fairly definite statement of the amount of money available for each school year can be prepared at the beginning of the school year. It is understood that there are difficulties in the way of the realization of this condition, owing to revision of assessments and the delays in collecting the land tax. The accompanying blank will reach division superintendents too late to be of service this year, but this form or some modification of it will be found of value in preparing next year's estimates.

ACTING GENERAL SUPERINTENDENT.

[No. 16, series 1905.]

MANILA, February 14, 1905.

EXAMINATIONS FOR THE COMPLETION OF PRIMARY AND INTERMEDIATE COURSES.

Examination questions are sent you by this mail as separate sealed inclosures. These questions are of two grades, plainly marked; one for the completion of the intermediate course and the other for the completion of the primary course. The examinations are to be held in all divisions March 29 and 30, 1905, unless otherwise provided in individual cases by the general superintendent.

The selection of places of the examinations and persons by whom they are to be conducted is left to the division superintendents, but the following rules should govern:

The subject-matter of the test shall be known prior to the examination only by the division superintendent and an assistant whom he may appoint to help him in the remailing of the questions. Questions covering each half day of examination should be sealed in the office of the division superintendent and sent to the teacher who is to conduct the examination, with an accompanying letter having plain instructions that the envelope containing the questions is not to be unsealed until the candidates are assembled in a room prepared for the examination. These instructions should also be written plainly on the outside of the envelope. In so far as may be possible the regulations outlined in section 8 of the Civil Service Manual of Information should be followed. Upon the completion of the test, the papers are to be read and marked by the teacher or principal giving the examination. He will then issue for each successful candidate a certificate of eligibility for promotion, duly filled out and signed. The examination papers, accompanied by the signed certificates, are then to be forwarded to the division superintendent for review and signature. The pupil may be admitted to a higher course only in case his certificate of promotion receives the signature of the division superintendent.

An average of 70 per cent is required for promotion. The signatures of teacher or principal and division superintendent on the certificate also signify that in their belief the pupil is morally and physically fit for admission to the next higher course and that his deportment has been such as to warrant his promotion.

If the papers are so numerous as to entail in their review an impracticable amount of work on the division superintendent, he may call to his assistance a committee of teachers who wish to make up previous absences. Early request should be submitted that such service be credited to these teachers as vacation work and allowed to offset absences due to illness. Discretion should be used with reference to permitting pupils to compete in the examinations. It is not the intention that pupils be indiscriminately admitted. Only those who have completed the work of the courses outlined and are, in the opinion of their teachers, fitted to go on to the higher work should be allowed to enter. The passing of the examination for completion of the intermediate course will hereafter be required for admission to the Philippine Nautical School.

As soon as the examinations are completed a statement should be sent to this office, giving the name, age, pueblo, and rating, together with the number of months actually under American instruction, of each successful candidate.

ACTING GENERAL SUPERINTENDENT.

[Supplement to No. 16, series 1905.]

EXAMINATION FOR THE COMPLETION OF THE PRIMARY COURSE.

ENGLISH, A.

(The story and the questions are to be written on the blackboard. Ten minutes should be given for study, and the questions answered with the story before the pupils. Replies should be in complete sentences.)

The old dog.—A man had a dog which had hunted deer for him many years. But the dog grew very old and then he could not run fast. Many of his teeth were gone.

One day he was in the mountains with his master. He caught a deer, but he could not hold it, because he had only a few teeth left. His master beat him for letting the deer get away.

The poor dog said: "Master, I have caught deer for you for a long time and have held them fast. To-day I wanted to hold the deer, but I am no longer strong enough. Please do not beat me. Be kind to me, because I have always served you well."

1. Where was the man and the dog?
2. What were they doing there?
3. Why could not the dog hold the deer?
4. How did his master punish him?

5. Did his master do right in punishing the dog? Why do you think so?
6. Answer these questions: (a) What is your name? (b) How old are you? (c) Where do you live? (d) Have you any sisters or brothers? (e) How many years have you studied English?
7. Write four sentences about rice.
8. Fill in these blanks:
 To-day Juan _____ at school.
 Yesterday _____ at school.
 Tomorrow _____ at school.
9. Use the following words in sentences: (a) Church, (b) ate, (c) quickly, (d) him, e) sour.
10. Ask questions, using the words: When, where, how, what, why.

GEOGRAPHY.

1. Where is your town? What is the nearest river?
2. What is the principal industry of your town?
3. Draw an outline map of your province and locate the capital. (For Manila, substitute: What province surrounds Manila?)
4. Name five products of your province.
5. Name ten large islands of the Philippines.
6. Locate Iloilo, Cebú, Zamboanga, Nueva Cáceres, and Vigan.
7. Name four leading exports and one import of the Philippines.
8. What is an ocean? Name five. What is a continent? Name six.
9. In what direction from the Philippines is the United States? What countries border the United States on north and south?
10. Name five leading countries of Europe and the capital of each.

ARITHMETIC.

$$\begin{array}{r} 1. \text{ Add: } \$478.45 \\ \quad 35.28 \\ \quad 19.06 \\ \hline \quad 205.13 \end{array}$$

$$\begin{array}{r} 2. \text{ From } 500.785 \\ \text{take } 37.918 \\ \hline \end{array}$$

3. A man bought 325 hectares of land in Indang and 416 hectares in Batangas. He then sold 324 hectares. How much land had he left? (No analysis is required.)
4. $38,905 + 29 = ?$
5. If 6 gantas of rice cost 90 centavos, how much will 9 gantas cost? (Analyze.)
6. A man walked 6 kilometers an hour for 4 hours. How long will it take a boy to walk that distance if he walks 3 kilometers per hour? (Analyze.)
7. A merchant had $18\frac{3}{4}$ meters of sinamay and sold $7\frac{1}{4}$ meters at 16 centavos per meter and the remainder at 18 centavos per meter. How much did he receive for all? (No analysis required.)
8. $14\frac{1}{2}$ plus $27\frac{1}{4}$ plus $43\frac{3}{4}$ plus $57\frac{1}{2}$?
9. A farmer had $128\frac{1}{2}$ picos of abacá and then sold $91\frac{1}{2}$ picos. How much had he left?
10. $\frac{1}{2} \times \frac{3}{4} \times 1\frac{1}{2} \times \frac{1}{4}$?

ENGLISH, B.

Write 125 words about any one of the following subjects: (a) Rice. (b) Hemp. (c) Sugar cane. (d) Tobacco.

EXAMINATION FOR THE COMPLETION OF THE INTERMEDIATE COURSE.

COMPOSITION.

Write a composition of not less than 300 words about the island on which you live.

GEOGRAPHY.

1. (a) Locate the Philippine Islands by latitude and longitude. (b) Name the two largest islands of the Philippine group.
2. Name the States touching the American Great Lakes and the capital of each.
3. What lands are separated by and what waters connected by: (a) Strait of Gibraltar? (b) Bering Strait?

4. What form of government has each of the following: Mexico, China, Brazil, France, Italy, Spain, Japan, Russia, Philippine Islands?
5. Name the great races of mankind and state the principal countries inhabited by each.
6. What and where are: Samar, Rome, Calcutta, Panama, Steppes, Ottawa, Habana, Hague, Sicily, Babel Mandeb?
7. What causes: (a) Winds? (b) Tides? (c) Seasons?
8. Draw a rough map of South America showing the principal mountains and rivers. Also show position of Colombia and Argentina.

ARITHMETIC.

1. A bamboo 21 meters long was cut into two pieces so that $\frac{1}{3}$ of the longer piece was equal to $\frac{1}{4}$ of the shorter piece. How long was each piece?
2. A square field contains 26.2144 hectares. What is the distance around the field?
3. If three men can plough 12 hectares of land in 10 days, how many men will be required to plough 24 hectares in 5 days?
4. A Chinaman sold 640 pilones of sugar for ₱4,160 and gained 20%. How much did he pay for one pilon?
5. A farmer sold $\frac{1}{4}$ of his crop of rice to A and $\frac{3}{5}$ of the remainder to B and still had 1,170 cavanes. How many cavanes did he raise?
6. New York is $74^{\circ} 3'$ west longitude and Paris is $2^{\circ} 20' 22''$ east longitude. What is the difference in time?
7. Find the proceeds of the following note:

\$500.00.

MANILA, P. I., Feb. 9, 1905.

Three months after date I promise to pay José M. Santos, or order, five hundred and 00/100 pesos for value received.

JUAN C. LUCIANO.

Discounted March 24, 1905, at 8%.

8. What is the area of a circle whose diameter is 40 meters?

GRAMMAR.

1. Write: (a) Simple sentence. (b) Compound sentence. (c) Complex sentence.
2. What is the difference between a phrase and a clause? Write sentences showing—
- (a) Phrase used adverbially. (b) Clause used adverbially. (c) Phrase used adjectively.
3. Write the plural for the following words and give the rules for each: Penny, calf, donkey, woman, deer.
4. (a) What kind of verbs has voice? (b) What parts of speech admit of comparison? Give examples of each.
5. In sentences use the words—(a) Walk, both as a noun and a verb. (b) Leather, both as noun and adjective. (c) Low, both as adverb and adjective. (d) Before, both as adverb and preposition.
6. Explain the construction of the underscored words in the following: (a) The people elected Smith president. (b) The people elected Smith their president. (c) Smith was elected president.
7. Write sentences showing that an infinitive may be used as (a) noun, (b) adverb, (c) adjective.
8. Give one example of: (a) Personal pronoun. (b) Relative pronoun. (c) Demonstrative pronoun. (d) Collective noun.

GOVERNMENT.

1. What does the Government do for the people?
2. What are taxes?
3. Name the officers of (a) a Philippine town; (b) a province.
4. What is an election? What persons are allowed to take part in a municipal election?
5. How does the governor of a province get his office?
6. Show the importance of good roads in any country.
7. Who is the chief officer of the United States? What are his duties?
8. What does the legislative part of Government do? What does it consist of in the United States?

HISTORY.

1. When and by whom was America discovered?
2. What people were living in America when the European people went there? How did they live?
3. Write five sentences about the settlement of Virginia?
4. Who were the following persons: William Penn, George Washington, Benjamin Franklin, and Abraham Lincoln?

5. Give a short account of the American Revolution.
6. Who were the following persons: Magellan, Legaspi, Simón Anda y Salazar, Primo de Rivera, and Aguinaldo?
7. Give a short account of one of the following events: (a) The attack by Li-ma-hong. (b) The British invasion. (c) The pact of Biac-na-bat6.
8. What is the Philippine Commission? During what years was William H. Taft governor of the Philippines?

PHYSIOLOGY AND HYGIENE.

1. (a) Of what is bone composed? (b) Name three uses of bone.
2. What is the use of (a) heart, (b) blood, (c) lungs?
3. (a) Name the principal parts of the brain. (b) Describe the arrangement of the white and gray matter in the brain; in the spinal cord.
4. Define: (a) Artery, (b) vein, (c) capillaries, (d) corpuscles.
5. (a) Name the juices connected with digestion. (b) Name the parts of the alimentary canal.
6. Describe the structure of the teeth and state the best method of preserving them.
7. Name some of the chief benefits derived from exercise.
8. (a) Why should we eat only clean and well-cooked food? (b) What are the best methods of preventing the spread of a contagious disease?

ANIMAL LIFE AND PLANT LIFE.

1. Give one example of an insect having (a) four wings, (b) two wings, (c) no wings.
2. What do fishes and tadpoles breathe? Into what animal does the tadpole change? What does it then breathe?
3. (a) Define mammal. (b) Define vertebrate. (c) How do birds produce their young?
4. How many cotyledons or seed leaves has (a) rice, (b) bean, (c) radish, (d) corn?
5. Name two plants cultivated for (a) leaf, (b) seed, (c) odor, (d) fruit, (e) fiber, (f) root.
6. (a) Name three food materials of flowering plants. (b) Into what part of the plant are food materials changed to foods?
7. Define (a) sap, (b) bark, (c) pollen, (d) spore.
8. Draw a perfect flower and name all parts.

[No. 21, series 1905.]

MANILA, March 3, 1905.

GOVERNMENT SCHOLARSHIP EXAMINATION.

As announced in circular to division superintendents No. 10, series 1905, and in accordance with the provisions of act of the Commission No. 854, a government scholarship examination will be offered in all of the provinces of the archipelago on the 24th and 25th of this month. The subjects of the examinations are as follows: (1) English grammar, (2) reading, (3) spelling, (4) composition, (5) geography, (6) United States history, (7) arithmetic, (8) Physiology and hygiene.

Only such applicants may be admitted to this examination as are (a) not less than 16 nor more than 21 years of age; (b) natives of the Philippine Islands; (c) of good moral character; (d) in sound physical condition; (e) students or teachers in the public schools of the islands.

Questions have been prepared in this office on the subjects stated above and are being distributed by this mail to all division superintendents in sealed packages. These packages should be opened in the presence of the candidates after they have been assembled for examination, and each set of questions should be guarded with the utmost care until it is formally submitted to the class. It is of extreme importance that no opportunity shall be offered for criticism on the part of the candidates of the method of conducting the examination.

After completion of the examination the papers should be sent in secure packages to this office for grading, together with complete list of the competitors, stating on blanks provided their names, ages, schools attended, places of residence, and names of parents or guardians.

No announcement can now be made as to the number of the applicants who will be appointed this year to government scholarships in the United States. It is not probable, however, that the number will be great.

GENERAL SUPERINTENDENT.

[Supplement to No. 21, series 1905.]

GRAMMAR.

1. What is a declarative sentence? An interrogative sentence? An imperative sentence? An exclamatory sentence? Give examples of each.
2. Give a word to illustrate each of the following: (a) A relative pronoun, (b) a collective noun, (c) a present participle, (d) a transitive verb, (e) a demonstrative adjective, (f) an adverb of manner, (g) a personal pronoun, (h) an infinitive, (i) an abstract noun, (j) a copulative verb.
3. Give the principal parts of the following verbs: Drink, travel, cut, be, choose.
4. Give the three degrees of comparison of the following adjectives: Short, comfortable, bad, much, little.
5. Tell the part of speech of each word in the following sentence: The little girl's father rowed his boat swiftly and silently across the lake.
6. Tell the case of each noun in the above sentence, giving reasons for your answers.
7. In the following sentence change verbs in the active voice to the passive, and verbs in the passive voice to the active: (a) The hunter shot a deer; (b) the tree was broken by the storm; (c) two cows were killed by lightning; (d) Columbus discovered America.
8. Give the plurals of the following nouns: Glass, half, roof, monkey, potato, mouse, piano, sheep, axis, sister-in-law.

READING.

Many are apt to picture Spain to their imaginations as a soft southern region, decked out with the luxuriant charms of voluptuous Italy. On the contrary, though there are exceptions in some of the maritime provinces, yet, for the greater part, it is a stern, melancholy country, with rugged mountains, and long, sweeping plains, destitute of trees, and indescribably lonesome, partaking of the savage and solitary character of Africa. What adds to this silence and loneliness is the absence of singing birds, a natural consequence of the want of groves and hedges. The vulture and the eagle are seen wheeling about the mountain tops, and soaring over the plains, and groups of shy bustards stalk about the heaths; but the myriads of smaller birds, which animate the whole face of other countries, are met with in but few provinces of Spain, and in those chiefly among the orchards and gardens which surround the habitations of man.

In the interior provinces the traveler occasionally traverses great tracts cultivated with grain as far as the eye can reach, waving at times with verdure, at other times naked and sunburnt, but he looks around in vain for the hand that has tilled the soil. At length he perceives some village on a steep hill, or crag, with moldering battlements and ruined watchtower; a stronghold in old times against civil war or Moorish inroad; for the custom among the peasantry of congregating together for mutual protection is still kept up in most parts of Spain, in consequence of the maraudings of roving freebooters. (Irving's *Alhambra*.)

To the examiner.—This is intended for a test in oral reading at sight. It should be given in a room apart from the other candidates. The candidate should read it through orally once or twice, and should then be graded as to three things: (a) Pronunciation, 50 per cent; (b) understanding as shown by expression, 25 per cent; (c) understanding as shown by oral questions asked him by the examiner and answered by the candidate with the extract before him, 25 per cent.

SPELLING.

manufacture	necessary	conjunction
separate	division	treasury
sympathy	alphabet	oyster
mischievous	shoulder	civilization
receive	machine	syllable
introduction	measure	Philippine
laughter	pendulum	physiology
enough	intelligent	hurricane
	superintendent	

COMPOSITION.

The candidate should select one of the following subjects and write a composition of three hundred words:

1. Agriculture in the Philippine Islands.
2. The internal-revenue law.
3. The story of a journey that I once made.
4. Education in the Philippine Islands.

GEOGRAPHY.

1. Define the following terms: River system, divide, spring, delta, canyon. Name five large lakes.
2. What oceans wash the coast of South America? Where are the following seas: Mediterranean, Caribbean, Bering, Yellow, Red?
3. In what country is each of the following cities: Vienna, Antwerp, Liverpool, Lyons, Naples, Chicago, Cape Town, Montevideo, Melbourne, Madras?
4. Name all the countries of South America that have a seacoast. What kind of governments do they have?
5. Name the five principal cities and the five leading exports of the Philippines.
6. In what countries are the greatest amounts of the following products raised: Corn, coffee, cotton, hemp, silk?
7. Name and locate one colony of each of the following countries: England, France, Germany, Holland, and Portugal.
8. Name the greatest river and the most important mountain range in each of the following continents: Asia, Africa, Europe, North America, South America.

UNITED STATES HISTORY.

1. Name the States of the Union in 1783.
2. Give a short account of the Virginia Colony.
3. From what countries did the United States obtain Florida, Louisiana, California, Alaska, and Porto Rico?
4. Name five Presidents of the United States, and give some important event connected with each.
5. How did the North treat the South after the war of the rebellion?
6. What was the cause of the Spanish-American war?
7. Give two reasons for the rapid growth of the United States in population and wealth.
8. How often and how is the President of the United States elected?

ARITHMETIC.

1. Find the simple interest on \$256.48 at 7 per cent for 4 years and 8 months.
2. At \$156 per hectare, what will be the cost of a tract of land 450 meters long and 125 meters wide?
3. What is the cost of the following bill of goods: 48 pounds of rice, at 5 cents a pound; 4 pounds of coffee, at $62\frac{1}{2}$ cents a pound; 3 dozen eggs, at 48 cents a dozen; 12 cakes of soap, at $33\frac{1}{2}$ cents a cake; 24 pounds of sugar, at $16\frac{3}{4}$ cents a pound; and 50 pounds of flour, at $8\frac{1}{2}$ cents a pound.
4. Add $2\frac{3}{4}$, $4\frac{1}{2}$, $16\frac{5}{8}$, and $198\frac{1}{2}$.
5. What is the total number of square feet in the floor, walls, and ceiling of a room 20 feet long, 16 feet wide, and 12 feet high, making no allowance for doors and windows?
6. How many seconds are there in 6 weeks, 3 days, 5 hours, and 40 minutes?
7. The diameter of a circle is 8 inches. What is its circumference and its area?
8. A merchant bought 80 watches. The list price was \$25 each, but he received a discount of 30 per cent. He sold 8 watches at a gain of 25 per cent, 12 watches for \$22.50 each, a lot of 24 watches for \$475, 15 watches at cost, 10 watches at a loss of 10 per cent, and the remainder at \$15 each. What per cent did he gain on the entire investment?

PHYSIOLOGY AND HYGIENE.

1. What is meant by digestion? Where is the gastric juice formed? How does it act upon meat?
2. What are the general uses of blood? Name the organs of circulation.
3. What artery carries impure blood? Give two changes that take place in blood while passing through the body.
4. How can we exercise the lungs? What is the value to the body of such exercise?
5. What is the use of the brain? What is the purpose of the nerves?
6. How does the skin protect the body? How should we care for the skin?
7. Define a ball-and-socket joint. Give two uses of the skeleton.
8. Why is the filthy condition of a house injurious to the health of its occupants?

[No. 24 series 1905.]

MANILA, *March 16, 1905.*

COMMITTEE OF TEACHERS FOR RATING EXAMINATION PAPERS.

Pursuant to authority granted by the honorable the secretary of public instruction, teachers may be detailed by division superintendents, without further authorization in individual cases, as members of committees for the purpose of rating primary and intermediate examination papers recently sent out from this office. Work done by such teachers may offset pro tanto time lost on account of illness. In making assignments to this duty, however, precedence should be given teachers who have time to make up owing to their beginning work after the opening of the school year. Letters will go to all division superintendents from the general office within the next few days indicating the exact amount of vacation service due from these teachers.

Division superintendents should be careful, however, not to detail more teachers than may be actually necessary to do the work required satisfactorily. Record of this service should be carefully kept on civil service Form No. 48, and in the column for remarks on said form should be noted each day the number of sets of papers examined and the subjects covered by each teacher. Permanent record of ratings should be made, and all examination papers should be preserved for at least sixty days following the examination.

GENERAL SUPERINTENDENT.

[No. 25, series 1905.]

MANILA, *March 16, 1905.*

PRIMARY AND INTERMEDIATE GRADUATES.

Report is desired from each supervising teacher, giving the name, sex, age, place of residence, and occupation of father of each pupil who qualifies by passing the primary examination, i. e., the examination for completion of the primary course, at the close of this school year. In the month of July following the opening of the new school year a further report is desired from the supervising teacher, showing what each student has done since passing the examination—that is, how many have entered intermediate schools, how many have begun teaching, how many have entered business or clerical occupations, how many have taken civil-service examination, and how many have returned to their homes and taken up some occupation.

A similar report is desired for all pupils passing the intermediate examination, i. e., the examination for the completion of the intermediate course; but in the case of these pupils rather more detailed report is desired, giving something of the character and disposition of these pupils and their intentions for life work—that is, whether they are to enter provincial high schools and continue their studies, take civil-service examination and enter government employ, or return to their homes and engage in agriculture or similar occupation.

GENERAL SUPERINTENDENT.

[No. 28, series 1905.]

MANILA, *March 21, 1905.*

MUSIC INSTITUTE.

Announcement is hereby made that a music institute will be convened in Manila on June 12 for a session of one week. This institute is for the instruction of American and Filipino teachers in proper methods of teaching vocal music.

It is desired that at least one teacher from each school division should be in attendance throughout the session. Report should be made at the earliest possible date by each division superintendent, giving the names of persons qualified for supervisory work in music, and requesting approval of their officially visiting Manila for attendance upon the institute.

GENERAL SUPERINTENDENT.

[No. 31, series 1905.]

MANILA, April 25, 1905.

APPEARANCE OF DISEASE AMONG SCHOOL CHILDREN.

The commissioner of public health requests that all teachers be instructed to notify the health authorities on the appearance of eruptive diseases among school children. It is believed that such precaution is already taken by most American teachers, but in order that the requirements may be fully met you are hereby requested to advise all teachers, American and Filipino, to promptly notify their division superintendents of the appearance of any suspicious symptoms of illness among the children. Division superintendents will convey this information to the presidents of the provincial boards of health, and, in serious cases, will also promptly advise the general superintendent.

GENERAL SUPERINTENDENT.

[No. 37, series 1905.]

MANILA, May 12, 1905.

PURCHASE OF MUNICIPAL BUILDINGS BY PROVINCES.

The province of Antique having expressed the desire to purchase for the use of the provincial school the municipal school building of the pueblo of San José de Buena Vista, erected in Spanish times, the attorney-general has rendered the following opinion, holding that the town can not legally alienate this property:

"The public square or plaza seems to have been a feature of all municipalities of all Spanish colonies. In the survey of a projected pueblo the plaza was the point of departure. In the Laws of the Indies minute directions are given to the discoverers and pioneers for the laying out of new towns. It is directed that the plaza mayor be at the landing place of the port, and if inland, in the center of the town, and its size apportioned to the number of inhabitants, having regard to the probable increase in population. From the plaza the four principal streets shall run, one from the middle of each side, etc." (2 San Pedro, p. 504, id., 502.)

The history of the public square of San José does not appear in the papers, but for the purpose of this opinion it will be assumed to be that of the other pueblos of the Spanish colonies and to date from the establishment of the town.

By the Civil Code all property, whether of the general government, the province, or municipality, is divided into two classes, viz, that de uso publico, and that not devoted to the use of the public. (Civil Code, Arts. 338-344.)

The same distinction is made by the common law in America, but the first class has been there more clearly defined as property held by the government (State, county, or municipal) in trust for the people of the respective governmental divisions. (*Meriweather v. Garrett*, 102 U. S., 513.)

Section 344, Civil Code, enumerates the properties of provinces and municipalities which are de uso publico, and includes plazas, streets, etc.

In this code itself I find no prohibition of the alienation of this class of property, but the commentators agree that it can not be conveyed, and that it can not be acquired by prescription. Manresa says:

"We pass now to examine more in detail each of the two kinds of property, beginning with the property of public ownership. As we have seen, section 344 enumerates but does not define this kind of property, so that we have as property of public ownership, not possessed by provinces and pueblos under the title of ownership, but subject to provincial and municipal (police) supervision by virtue of the administrative functions of the corporation represented by these entities, the following:

"1. Provincial and neighborhood roads.

"2. Squares, streets, and public drives.

"3. Fountains and public waters.

"4. General public works paid for by the pueblos or provinces.

"Property of public ownership (*dominio publico*) is governed by like principles, whether belonging to the State, province, or municipality. It is outside of commerce, and is consequently inalienable and not subject to prescription." (*Manresa*, vol. 3, p. 90.)

As has been stated in this classification governmental property has been recognized in the common law, and it seems that the same principle forbidding the alienation of property held in trust for the public is established by the common law. The rule as laid down by Dillon is as follows:

"Municipal corporations possess the incidental or implied right to alienate or dispose of the property, real or personal, of the corporation of a private nature unless restrained by charter or statute. They can not, of course, dispose of property of a public nature in violation of the trusts upon which it is held, and they can not except under valid legislative authority dispose of public squares, streets, or commons." (2 Dillon, *Mun. Corp.*, 4 ed., Art. 575.)

In the case of *Meriwether v. Garrett*, in the United States Supreme Court, Justice Field, speaking of the property of a city, says:

"In its streets, wharves, cemeteries, hospitals, court-houses, and other public buildings, the corporation has no proprietary rights distinct from the trust for the public. It holds them for public use, and to no other use can they be appropriated without legislative sanction. It would be a perversion of that trust to apply them to other uses." (102 U. S., 154.)

Lands dedicated to public use as squares can not be conveyed by a city to private parties. (*Headley v. San Francisco*, 124 U. S., 645.)

It would seem, therefore, that by both the Spanish civil code as interpreted by Spanish jurists and by the common law as declared by the United States Supreme Court, express legislation is necessary before a public plaza can be ceded by a municipality.

The legislative authority governing this case is found in paragraph 9c of section 40 of the Municipal Code, which is as follows:

"The municipal council is empowered to purchase, receive, hold, sell, lease, convey, and dispose of property real and personal for the benefit of the municipality, provided that the express authorization of the provincial governor shall be necessary to alienate or constitute any lien upon any real property of the municipality."

The power to alienate real property, which is given to municipalities by section 40(c) quoted above, is in general terms, and at first glance might be thought to include plazas, streets, etc., held in trust for the people of the town, but in view of the great importance of this class of property to the people of the town—the ill effects which would follow the improvident alienation of the same—I am constrained to believe that the commission did not intend by said section to authorize municipalities to alienate property such as plazas and streets held in trust by them for the people, but merely to permit the transfer of other classes of property in which the public has no vital interest.

It may be urged that in the present case the use to which it is proposed to devote the property is a public one, and that therefore the public trust would be fulfilled.

The school, however, is to be for the children of the province, and the trust is for the people of the pueblo.

I am therefore of the opinion that the conveyance can not be legally made without the express consent of the law-making power.

Division superintendents in securing school sites will be guided by this opinion.

GENERAL SUPERINTENDENT.

[No. 38, series 1905.]

MANILA, May 16, 1905.

CONTROL OF MUNICIPAL FUNDS.

It appears that the opinion of the attorney-general relative to the control of school funds by municipal officials, which was published in Vol. II, No. 52, of the Official Gazette, has been very generally misinterpreted. The following opinion, rendered later, is therefore quoted for the information and direction of all division superintendents and teachers:

OFFICE OF THE ATTORNEY-GENERAL FOR THE PHILIPPINE ISLANDS,

Manila, March 28, 1905.

Respectfully returned to the general superintendent of education, through the secretary of public instruction. A question has arisen over the interpretation of my opinion of November 4, 1904, relative to the respective powers of the division superintendent of schools and the municipal council in the making up of the annual estimate for school expenditures in January of each year. The questions answered by said former opinion were the following:

1. Must the annual estimate for salaries of municipal teachers state the name and salary of each incumbent or may the estimate be made in a lump sum, the apportionment of salaries to be determined later by the division superintendent?

2. Must appointments to vacancies occurring during the school year be approved by the municipal council before the municipal treasurer is empowered to pay the salary to the new

appointee? In reply to the first question, I stated, as my opinion, that the annual estimate of the municipal council should contain an itemized statement of the estimated expenses of school purposes during the year, including teachers, buildings, etc.; that the number of positions for teachers and the salary for each position should be enumerated; that the appointment of the teachers to these positions is made by the division superintendent and is entirely distinct from the itemized statement and should not be included therein. In reply to the second question, I stated the following:

"The division superintendent can not increase the salary of any of the positions provided for without the consent of the provincial treasurer at the request of the municipal council. (Sec. 47, g.) He may, however, in his discretion, appoint a teacher to fill one of the positions provided for at a less salary than that fixed in the estimate. The approval of the municipal council is not necessary to authorize the payment of the salary of such new appointee."

In various opinions I have heretofore stated that the expenditure of school funds of each municipality must be under the direction of the division superintendent of schools, while the annual estimate of the municipal council should contain a statement of anticipated school expenditures for the current year. This statement should be prepared by the division superintendent of schools, and the municipal council can not question same, in which case the division superintendent should reduce the estimate so that it will come within the amount to be expended for school purposes during the year.

(Signed)

L. R. WILFLEY, *Attorney-General*.
GENERAL SUPERINTENDENT.

[No. 40, series 1905.]

MANILA, May 23, 1905.

ASSIGNMENTS OF INSULAR TEACHERS.

Pursuant to the attempt of the general superintendent to secure a careful and complete districting of all school divisions, division superintendents are requested to fill out the attached form on "supervising districts." Certain superintendents have already submitted more or less complete statements upon this matter, but the report now desired will assemble the essential facts to be considered in the proper districting of each division.

It is to be noted that the preparation of this report involves recommendation upon the assignments of supervising teachers for the next school year. If you have no teacher now available for appointment to supervision of a given district, or if it appears best to temporarily combine two or more adjacent districts under common supervision, the facts should be specifically noted. The name of every district should appear upon the report, and the combined districts should cover the entire area of the school division.

It is desired that in connection with this statement there be submitted explicit recommendation upon assignments to station of all insular teachers whose names do not appear upon the supervising district report. Nearly every division superintendent has requested the assignment to his division of additional teachers. These requisitions can be supplied only in part. The number of new teachers available at the opening of the new year will not be greater than the number of resignations occurring during the current vacation period. In now proposing assignments of the teaching force, recommendation should be made, unless advice to the contrary has already been received from Manila, upon the basis of the same number of American teachers present in the division at the end of the last school year.

ACTING GENERAL SUPERINTENDENT.

[Supplement to No. 40, series 1905.]

SUPERVISING DISTRICTS.

Division of ———.

Name of district.	Population.	Towns.	Number of schools last year.	Enrollment last year.	Proposed supervising teacher.

[No. 42, series 1905.]

MANILA, May 27, 1905.

AMERICAN SCHOOL DORMITORY FACILITIES.

The Philippine Commission, by resolution, has expressed its intention to appropriate the sum of ₱20,000 to apply upon the construction of a building for a school in Manila, whose course of study shall be closely parallel to that of good public primary, intermediate, and high schools in the United States. This school will be conducted primarily for the advantage of children of American and European residents in the islands and for Filipino students who are preparing themselves for entrance to high schools or universities in the States. It is desired to provide, in connection with this institution, dormitory facilities for the benefit of American children whose parents are stationed at provincial points. Dormitory cottages will probably be erected which will provide comfortable homes for boys and girls, putting them under the wise and judicious care of properly qualified teachers.

Division superintendents will please make early report to this office as to the number of American children of school age in each division whose parents may desire to send them to Manila with a view of their taking advantage of such dormitory privileges.

GENERAL SUPERINTENDENT.

[No. 44, series 1905.]

MANILA, June 6, 1905.

GENERAL INSTRUCTIONS REGARDING REQUISITIONS.

The attention of division superintendents is called to the following regulations governing the submission of requisitions in the school year 1905-6:

School books and supplies should be requisitioned under three heads: Primary school supplies, intermediate school supplies, and secondary school supplies. Requisitions should be accompanied by a report giving the number of pupils in each grade, the number of serviceable text-books at present on hand to supply these pupils, and the number of additional text-books which will be required at the beginning of the new school year. The total number of primary pupils for all grades to whom supplies should be issued should not be in excess of one-fifteenth of the total population of the province.

No supplies should be allowed to remain idle, and where necessary to secure proper distribution they should be transferred from one town to another. It will be noted that we have in stock a number of different texts for the primary grades. If several different primers, for example, are on hand in a single division they should be so redistributed as to supply each supervising division with only one or at most two different primers. This arrangement will permit of the greatest uniformity of instruction and supervision in each district.

Requisitions for hyloplate should not be in excess of five pieces for each teacher, and in every case report must be made as to the number of serviceable pieces at present in the division. The bureau of education has on hand enough hyloplate to furnish all schools in the above proportion, but this proportion must not be exceeded for any one province.

Requisitions for charts should not be in excess of the number of classes of Grade I, account being taken of the number of Carnifex and McGuffey's charts on hand.

Division superintendents will take account of books and supplies on hand in various municipalities and see that no excess occurs. A statement will be shortly furnished each division superintendent showing the number of texts and the amount of supplies that have been issued to each division during the last three years.

For convenience in issuing, two requisition blanks have been prepared for the coming year, Nos. XIII and XIII A. The former bears a list of all the books which will be in stock for primary and intermediate grades. The latter is a list of those for secondary courses or special subjects.

The quantities of the various texts on hand March 31, 1905, and the number ordered for the coming year are given in the attached list. These statements, together with the actual needs of their divisions, will serve as a basis for the submitting of requisitions to this office. The listing of books by grades and subjects is in some degree arbitrary, but indicates very closely where and how books should be used.

GENERAL SUPERINTENDENT.

[No. 45, series 1905.]

MANILA, June 8, 1905.

INSTRUCTIONS RELATIVE TO THE ERECTION OF SCHOOL BUILDINGS FROM FUNDS APPROPRIATED BY ACT NO. 1275.

Attention of division superintendents is invited to the following requirements, which have been embodied from time to time in indorsements of the secretary of public instruction, relative to the handling of moneys and the construction of buildings from funds appropriated by Act of the Commission No. 1275. Division superintendents are requested to familiarize themselves thoroughly with the provisions of this act as well as Act No. 1318, and it is desired that in all points the following instructions be fully complied with:

The disbursing officer of the bureau of education or the provincial treasurer, as the case may be, shall receive and account for all moneys used for school construction under the provisions of Act No. 1275. It should be noted, therefore, that all funds appropriated by the province or subscribed, contributed, or otherwise lawfully made available for use in the construction of buildings for which appropriation is made from the funds appropriated by Act No. 1275, must be added to said apportionment, and the whole sumt hus brought together shall constitute one total fund under the control of the bureau of education, to be disbursed in accordance with the provisions of Act No. 1318.

Special emphasis must be laid on this provision or provinces may consider that funds appropriated from provincial treasuries for the purpose of school construction may be disbursed by the provincial treasurer in the same manner as are other provincial funds.

The provincial board should see that the subscribers to this fund are instructed and thoroughly understand that this subscription is not compulsory and is not a tax, but that it is a matter which is entirely voluntary with them, and that their desire to subscribe is prompted solely by their wish to secure something beneficial to themselves and their children which under present conditions can be secured in no other way.

Whenever it is the intention of the provincial authorities to solicit private subscriptions to be added to this fund such subscriptions must be collected and actually on hand in the provincial treasury, available for the construction, before any work is commenced on the building or buildings.

If a municipality intends to appropriate any sum to aid in the construction of a secondary school building, such sum must be actually and definitely appropriated by an ordinance of the municipal council. The appropriation of such sum must have the approval of the provincial treasurer, and the sum must be deposited in the provincial treasury to the credit of the school construction fund.

The cost of the building or buildings must not exceed the total amount available for the construction thereof. In case of a deficit there is no insular fund which can be drawn on. Provinces must so plan their school buildings that the cost of construction shall not exceed the money and materials on hand.

No work of construction should be begun on a site until the title thereto is invested in the government. Great care must be exercised not to erect school buildings on any site which is in dispute or likely to be questioned. No insular funds or funds appropriated for the bureau of education can be utilized in conjunction with municipal or provincial funds for the construction of school buildings until such time as the title to the site has been properly invested in the government.

Information of total amount on hand and available for construction should be sent to the bureau of architecture, with the preliminary drawings prepared by the bureau of education, giving a general idea of the building in order that the said architect may prepare working plans and specifications for the building not to exceed in cost the amount available.

Care must be taken that all modifications of original specifications are only noted on the bid or general contract but also on the specifications themselves, and all interlineations or modifications on contract, specifications, or bid should be over the signature of the bidder or contractor and noted with his initials. If any such modifications are placed after the signature, then such modifications must be signed by the bidder or contractor and accompanied by a statement that they are accepted by the bidder or contractor.

The following course must be adhered to with reference to all buildings which the bureau of education proposes to construct under Act No. 1275. A local teacher and the division superintendent should keep under close supervision the work of construction, and must inform the general superintendent when the framework is approaching completion, so that proper professional inspection of that portion of the work may be made.

When the building is about to be closed in, the general superintendent must again be informed so that another inspection may be made. Before final acceptance of the structure and completion of payments thereon, a careful final inspection must be made.

Where installment payments are made, care should be taken that the payment is not more than 80 per cent of the value of the work completed since last payment.

GENERAL SUPERINTENDENT.

[No. 46, series 1905.]

MANILA, June 8, 1905.

SUPPLEMENTARY PRIMARY AND INTERMEDIATE EXAMINATION AND REQUIREMENTS FOR PROMOTION.

The supplementary primary and intermediate examinations to be held June 15 and 16 will be conducted in so far as possible in accordance with the regulations in section 8 of the civil-service manual.

The division superintendents will select the places of examination and designate the persons by whom they will be conducted.

Under no circumstances will the subject-matter of the test be known prior to the examination by any other than the division superintendent and one assistant. Questions covering each half day should be sealed in the office of the division superintendent and sent to the teacher who is to conduct the examination with an accompanying letter stating plainly that the questions are not to be opened except in the presence of the class assembled for examination. These instructions should also be plainly written on the outside of the envelope containing the questions. Upon the completion of the examination the papers are to be marked by the teacher or principal in charge of the examination. After he has filled out and signed certificates of eligibility for promotion he will forward papers and certificates to the division superintendent for review and signature. The pupil will be admitted to a higher course only in case his certificate receives the signature of the division superintendent.

In rating a pupil in a subject class work will be given a weight of three-tenths and the examination paper a weight of seven-tenths. If, for example, a candidate has a grade of 80 per cent in his class work in arithmetic and 60 per cent on his examination paper, his final rating in arithmetic will be: Three-tenths of 80 per cent, 24 per cent; seven-tenths of 60 per cent, 42 per cent; total, 66 per cent.

A fraction of more than one-half in the final rating may be counted a unit.

Certificates of promotion will be issued only to pupils securing a rating of 70 per cent in each subject of study. In the discretion of the division superintendent and the principal or supervising teacher, a pupil who fails to secure the required rating may continue with his former class in the subjects in which he is successful; and if it is evident that he will be able to make up his deficiencies in the other subjects, he may also be continued with his class in those branches with the understanding that he shall be required later to pass the prescribed examination in order to secure a certificate for promotion.

The above method of marking may be made retroactive in its application to the March examinations, supplementary report being submitted to the general office in accordance with the provisions of Circular No. 25, series 1905.

Recommendation is requested from division superintendents as to modifications which it may be advisable to make in the above regulations governing promotions and issuance of certificates.

GENERAL SUPERINTENDENT.

[No. 47, series 1905.]

MANILA, June 13, 1905.

APPROVAL OF ITEMS OF EXPENSE FOR SCHOOLHOUSE CONSTRUCTION.

The attorney-general has rendered the following opinion on the question whether the division superintendent of schools has the right to approve or disapprove of the items of expense incident to the construction of municipal schoolhouses:

"In former opinions I have held that all expenditures from the school fund should first receive the approval of the division superintendent of schools.

"The further question now arises whether the division superintendent, after he has approved the expenditure for schoolhouse construction, may superintend the construction and approve or disapprove the different items of expense incident thereto when the plans and specifications have not, in his judgment, been followed in toto.

"Section 3 (g) of Act No. 74 provided that —

"The general superintendent of education shall prescribe plans for the construction of schoolhouses to be built by the municipalities or provinces, the amount of land required in each case, and rules of hygiene which shall be observed in connection with the schools of the archipelago.

"The division superintendent shall pass upon and accept or reject or modify the plans for any new schoolhouse proposed by the provincial or the local authorities to be erected, and for the proposed site thereof, and shall make report of his action thereon to the general superintendent of public instruction. If the provincial or local authorities of the local school board shall be dissatisfied with the decision of the division superintendent as to the suitability of the plans or site of the proposed new schoolhouse, they may appeal to the general superintendent, whose decision shall be final."

"It is the evident intention of the law that the division superintendent shall be primarily interested in the plans and construction of school buildings. In order to effectually perform his duties, the right to approve the different parts of the school building while it is in process of construction must vest in him. It is, therefore, my opinion that this power is incident to the general power of supervision over the expenditure of school funds and the general supervision of the schoolhouses in his district, and that he must approve the payment of the various items of expense incurred in the construction of said buildings before the same should be paid by the provincial treasurer."

Division superintendents will please observe the above ruling in the approval of expenditures for the construction of school buildings.

GENERAL SUPERINTENDENT.

[No. 50, series 1905.]

MANILA, June 19, 1905.

SCHOOL ATTENDANCE.

The consolidated school report for the year shows that there were in the day schools in the Christian provinces a total enrollment of 501,863, or over a half million pupils taken into school during the year. When we compare this large number with the attendance in any one month, or with the average attendance during the school year, the result is far from satisfactory. The average daily attendance for the entire year in these same schools which report a total enrollment of over half a million was only 285,600, or an average of but 56 per cent. This coming year we want pupils who will enter school in the month of June and stay in school throughout the year. We want a lower enrollment and a much higher percentage of daily attendance. Our ideal number, as elsewhere stated, is about one-eighteenth of the total population of any province, and this should be the number in average daily attendance in that province. To attain and maintain this result should be the forefront plan of every division superintendent for this year.

GENERAL SUPERINTENDENT.

[No. 58, series 1905.]

MANILA, July 19, 1905.

STATUS OF "THE PHILIPPINE TEACHER."

It is hoped that The Philippine Teacher will claim the increasing interest of all division superintendents and teachers, both in the matter of financial support and contributions of material of general interest to the teaching force. It now appears that the magazine has become sufficiently well established, however, to warrant this office's withdrawing the supervisory direction which it has maintained over the paper during the first months of its publication. You are therefore advised that from this date The Philippine Teacher will have no official status as an organ of the government or of the bureau of education, and will be issued altogether independent of this office. Future correspondence with the editor relative to the magazine should not be sent under official frank. Subscriptions should go direct to the editor.

GENERAL SUPERINTENDENT.

[No. 61, series 1905.]

MANILA, July 27, 1905.

INVESTIGATION OF FISH AND FISHERIES.

The fisheries of the Philippine Islands, in addition to their scientific interest, are so important economically that I believe the bureau of education may well take this matter up for investigation, and through the intermediate classes in our schools attempt to interest

and instruct the Filipinos in the pursuit, protection, and propagation of fish. Dr. Fred A. Foxworthy, the science teacher in the Cavite high school, has begun investigations into the fish and fisheries of Manila Bay, and makes the following appeal for the assistance of teachers throughout the archipelago:

"I am undertaking to gather information concerning Philippine fisheries, which I believe to be in an undeveloped condition, with a view to the possible introduction of improved methods of fishing. The teachers in the seacoast towns have exceptional opportunities for gathering the needed information, and I wish to request such teachers to find out as much about the fisheries of their immediate sections as circumstances will permit, and to make special reports upon them. These reports are to include statements as to the location of the principal fishing grounds, methods of fishing in vogue, and notes on the principal species of the locality. These notes should include (1) the name, English, Spanish, or dialect, of the fish; (2) size, color, and form; (3) life history; (4) food value; (5) method of capture; (6) natural enemies; (7) food of fish. Any information which a teacher can give will not come amiss, and full credit will be given for such information in any publication that may be issued. Besides the general good that may be secured from such inquiries, teachers will be repaid for their efforts by receiving material for work in the elementary science classes. Work with fish offers great opportunity for arousing interest in elementary science. The form, habits, and life history of the common fish affords subjects of unflinching interest for these young students, who can often in turn give information of value."

This office will be glad to aid such teachers as are interested by procuring such materials as it is able, and it is suggested that teachers correspond with Doctor Foxworthy relative both to the information herein requested and also for suggestions in presenting this work to classes. Correspondence confined strictly to the subject-matter of this circular may be sent in franked envelopes and may be conducted direct with Doctor Foxworthy at Cavite, Cavite.

GENERAL SUPERINTENDENT.

[No. 62, series 1905.]

MANILA, August 2, 1905.

MAPS OF SCHOOL DIVISIONS.

This office is making an effort to secure good maps of each division of a uniform size and character. The size of the sheet adopted is 24 by 30. Two scales have been adopted, a scale of 1 to 400,000 for the large divisions, and one of 1 to 200,000 for the small divisions. An outline map in duplicate will be sent to each division superintendent. It will be observed that this map is simply an outline of boundaries; no topographical details, such as mountains, rivers, or location of towns has been supplied by reason of the fact that we have possession of no maps that correctly show these features. These should, however, be added by the division superintendent so far as positive topographical information can be secured. For example, the mouths of rivers can very properly be entered upon the proper points of the coast, but the valley of the river should be followed back into the interior no further than accurate recorded information exists. On this map, each division superintendent is requested to enter the name of each present municipality indicating each of these by a small circle with a dot inside ○. A list of organized municipalities in each division is attached to this map, which was obtained from the executive bureau and is correct up to July 15, 1905. In addition to these municipalities, all former pueblos as they existed under Spanish rule should also be indicated by name and the site by a smaller circle than that used for the municipality without the interior dot (o). Barrios should be indicated by a dot (·). A list of these pueblos as they were reported in 1898 is also attached.

The boundaries of supervising districts after approval by this office should be indicated by a broken line (.).

One copy of this map is to be retained in the office of the division superintendent, the other should be returned, as soon as this information can be entered up, to the office of the general superintendent. Additional geographical information can be written out and attached to the map. Subsequent information should be submitted from time to time, by letters and sketches and will be added to the maps by a draftsman in this office.

There is also desired a typewritten statement giving the supervising districts in order, with the subordinate municipalities or former pueblos indicated by name under each, with also the total population, the number of schools, the enrollment at the present time, and the name of the supervising teacher. In listing supervising districts, it is requested that these be not entered alphabetically, but in an order of location, beginning at the north and proceeding around the province until the whole territory has been covered.

In addition to these maps showing the districting of divisions, each supervising teacher should be encouraged to make a map of his district. Instructions for such map making and for geographic and demographic investigations that should accompany it are being prepared and will shortly be issued.

GENERAL SUPERINTENDENT.

CHOLERA CIRCULARS.

SPECIAL CHOLERA CIRCULAR.

Immediately upon the appearance of Asiatic cholera in August, 1905, the general superintendent, after conference with the honorable the secretary of the interior and the commissioner of public health, issued a circular to all division superintendents and insular teachers in the employ of the bureau of education directing that daily instruction be immediately established in every school in the islands upon the subject-matter of cholera bulletins issued by the board of health and circular to all division superintendents and teachers by the bureau of education. It was directed that every suspicious case be immediately reported to the division superintendent of schools or to the general superintendent of education. It was further urged that teachers use their influence with local officials and the people of their districts in promoting sanitary conditions and taking all possible precaution against the introduction and spread of cholera. Reports received since the promulgation of this order indicate that the superintendents have been active in its circulation throughout their divisions, and that all teachers, American and Filipino, have promptly and cheerfully complied with its demands. A copy of the circular follows, and also a copy of accompanying bulletin of the board of health which was widely distributed in English, Spanish, Tagalog, Pangasinán, Pampangan, Ilocano, Panayano, Cebuano, Bicol, and Ibanag. A more lengthy pamphlet issued by the board of health was sent to all division superintendents and teachers a few days after the issuance of the first circular.

MANILA, August 29, 1905.

Attention is called to the inclosed publications of the board of health. It is the purpose of the board of health, by popular instruction through public schools and teachers, to prevent the development of the present sporadic cases of cholera into an epidemic.

Immediately upon receipt of this circular supervising teachers will call together all teachers and aspirants in the district for a lesson upon the subject-matter of the inclosed circular. All points in this circular shall be carefully explained and recited upon until it is evident that the Filipino teachers perfectly understand and fully appreciate the subject-matter. The Filipino teachers should then be practiced in reteaching these instructions and should be directed, upon their return to school, to immediately take this matter up as a regular lesson with all pupils of sufficient age, and the rules of health to be observed shall be given in the form of dictation or blackboard exercise to pupils, to be copied down by them and memorized.

Supervising teachers shall, moreover, give exhibitions of methods of boiling water, scalding fruit, cleaning of cooking utensils, removal of filth and ejecta of patients, the boiling of infected clothing or bedding, and the disinfecting of a floor or building where a cholera patient has lain.

Supervising teachers shall make it their first duty during succeeding weeks, and as long as the menace exists, to see that these instructions are fully carried out.

As a further measure of spreading this instruction, all Filipino teachers may be drilled in the practice of translating the subject-matter of this and other bulletins of the board of health into the dialect of the locality and so communicating its contents to people of the barrio or community. It may be worth while to get together small gatherings of the people to listen to an explanation in the dialect of the nature of cholera and the methods of preventing its communication.

Within a few days another bulletin of the board of health, dealing more fully with the nature of cholera and methods of its suppression, will be issued. This bulletin will furnish a regular text for all teachers' classes in the archipelago until further orders, and for classes in the intermediate schools. Instruction on this text should be commenced as soon as the pamphlet is received.

Supervising teachers are instructed to report all suspicious cases of death, by wire, either to the division superintendent or to the general superintendent, whichever way is most expeditious.

In the prevention of the spread of cholera isolation is proving an effective measure. In the cases that have so far occurred in Manila no second case has followed where prompt isolation has been made. It is realized that the reason for isolation is a hard matter to

communicate to the Filipino population, but it should be carefully explained, and each community or barrio should be urged to set aside a house to which all cholera patients or suspected cases may be at once removed.

Teachers are also instructed to advise with and assist the people in procuring adequate facilities for boiling and cooling water for domestic purposes.

Reports are desired from division superintendents as to the success achieved in giving this instruction and the responsiveness of the people thereto.

Very respectfully,

DAVID P. BARROWS,
General Superintendent of Education.

CHOLERA CIRCULAR No. 1.

MANILA, P. I., August 29, 1906.

Cholera has reappeared in the city of Manila and its vicinity. This disease can be introduced into the system only through the mouth. It is caused by organisms too minute to be seen except with a microscope. These organisms are readily killed by heat and the disease may therefore be successfully combated by the proper use of fire and hot water, which are at the disposal of everyone.

To avoid cholera and prevent its spread observe the following precautions:

1. Boil all drinking water and place it while hot in covered vessels. Do not dip up the water when needed, but pour it into drinking cups, otherwise cholera germs may get into the water from the hands.
2. Do not touch drinking water or food with the hands unless they have just been washed in water that has been boiled.
3. Eat only cooked food. Avoid all fruits, raw vegetables, and raw fish. Dried fish may be made safe by thoroughly heating. Fruits may be made comparatively safe by dipping them a few seconds into boiling water.
4. Flies may carry cholera germs on their feet from human excreta to food; therefore to protect it from flies cover all food immediately after it is cooked.
5. If cholera appears build smudges under houses to drive flies away.
6. Boil all water used for diluting milk.
7. Cook all meats and fish thoroughly so as to heat the same throughout.
8. Keep kitchen and table dishes thoroughly clean and scald them before using.
9. Keep the place in which you live, the ground under the house, and everything pertaining to it, clean.
10. Outhouses, closets, and vaults can be made safe by putting in lime or carbolic acid. When this can not be done dejecta must be buried or thoroughly covered with earth.
11. Isolate all the sick. It is recommended that a house in each barrio be set aside for this purpose.
12. All the dead should be embedded in lime and buried 3 feet under the surface.
13. Filth or vomit and the dejecta of the sick should be promptly cleaned up with boiling water and buried.
14. Clothes and bedding used by sick persons must either be burned or boiled. Do not wash any clothes near wells or springs nor permit surface water to run into any well or spring.
15. Municipal presidents and municipal councilors should enact these rules as ordinances and see that they are enforced.
16. All school children are requested to inform their parents of these rules, which, if observed, will prevent great loss of life.

TYPICAL CIRCULARS AND REPORTS ISSUED BY DIVISION SUPERINTENDENTS AND SPECIAL SUPERVISORS.

[No. 13, series 1906.]

DUMAGUETE, ORIENTAL NEGROS, P. I.,
April 19, 1906.

DUTIES OF SUPERVISING TEACHERS.

That there may be a clearer understanding by supervising teachers of their duties while visiting schools the following suggestions are offered for their guidance:

Each barrio school should be graded into two classes doing first and second year work. These classes may be subdivided into sections for convenience. Provide for the native teacher a programme stating definitely the work for each section. Do not leave any blanks in your programme. Have something for every section to do all the time. If not recit-

ing, provide slate exercises and busy work. Do not permit the teacher to vary from this programme in any particular.

When you go to inspect a school arrange to reach it at the hour of opening, and unless your schedule demands another visit that day spend the entire morning period with the school. First, review the lessons with each section, having in mind the following points: Are the pupils properly graded? Is the work too difficult or is it too easy? Have the lessons been carefully presented by the native teacher? After reviewing the lessons plan sufficient work for the school to occupy the time until your next visit. The teacher must not exceed what you have assigned, and the results of his teaching will be evident at your next inspection. You can in this way judge his ability and trustworthiness. When assigning lessons, state definitely the number of pages, problems, or lessons, leaving no possible room for doubt on the part of the teacher.

If the teacher can not attend a teachers' class regularly, give him an hour and a half of careful instruction in order that he may not fall behind those of his grade in the central schools. If your visits are more than a week apart, a simple system of instruction by correspondence may be employed. This has been done successfully in some large districts. Always assign work for the barrio teachers with the same care that you do for their classes.

The days that your schedule does not require you to visit the barrios you will teach in the third-grade class of the central school. This instruction is very important, as under the present system it is the only time that the pupils are directly under the influence of the American teacher.

The teachers' class should meet every day. When it is impossible for the American teacher to be present, owing to long trips of inspection, he should assign lessons and appoint the principal native teacher to conduct the class during his absence.

The constant aim must be to have the school work continue uninterruptedly from the opening of the term until its close. Improper grading, aimless droning over lessons, and frequent absences are fatal to progress. Teaching in the Philippines under present conditions may be made as systematic and as exact as any other profession. Only by so treating it can we hope for real advancement.

DIVISION SUPERINTENDENT.

[No. 22, series 1905-6.]

SAN FERNANDO, UNIÓN,
August 4, 1905.

INSPECTIONS BY SUPERVISING TEACHERS.

In order to bring about uniformity and to increase, if possible, the efficiency of inspections, it is desired to present the following regulations for supervising work:

It is impossible to present a specific length of time that a supervising teacher should spend in each school on account of the variation in the size of supervising districts and in the varying responsibilities of the teachers. In general, a supervising teacher should be present at the time of opening the school to be inspected and should remain during the full time of the morning period if his schedule of visits permits.

Each municipal teacher should be provided with a definite programme for his class work, which he should be required to strictly follow; grading of individual pupils, character of instruction given, and the progress of each class should be closely inspected at each visit. It is specially desirable that the work to be accomplished by each municipal teacher should be carefully planned and prescribed from time to time by the supervising teacher and that the teacher be required to cover the work thoroughly.

Special attention should be given to the attendance of each pupil, and a regular attendance should be required on the part of each pupil enrolled. Attention is invited to circular No. 50, series 1905, which presents in detail the attendance desired in each municipality and outlines the plans for apportionment of attendance among the several schools of the supervising districts.

The property responsibilities in the schools should receive accurate attention at all times, and you will require that all property receive care and that no unnecessary loss takes place. No property can be allowed to remain idle. If it is found that a surplus exists in any class of school supplies this office should be at once notified in order that redistribution can be arranged.

At the time of each inspection every school should show an advancement in class work and in the knowledge of subject-matter on the part of the individual pupil.

DIVISION SUPERINTENDENT.

[No. 108, series 1904-5.]

SAN FERNANDO, UNIÓN, *February 8, 1905.*

LOCATION AND CONSTRUCTION OF BARRIO SCHOOLS.

The attention of supervising teachers is called to the careful supervision that should be given to the construction and location of barrio schools.

The school building should be located as nearly as possible at the center of a group of barrios and should be accessible to the largest possible school population. Except under extraordinary conditions no school should be located nearer than 6 kilometers to the town school. All barrio schools should be 6 kilometers distant from each other. The reason for thus locating the schools at a distance of 6 kilometers from one another is that all children within a radius of 3 kilometers can attend the central school, and the same thing holds in regard to the barrio school.

Special attention should be given to the surroundings, playgrounds, shade, etc., in order to make them as pleasant as possible and to make the barrio school a place of interest to the population of each district.

Supervising teachers are to study the locations with great care. The building constructed should be well built and will last for six or seven years. Attention should be given to the contour of water courses in order to avoid cutting off a portion of the school population during the rainy season.

The location selected besides being central should be on high ground, with ample space for a playground and the planting of trees, flowers, shrubs, and the like.

DIVISION SUPERINTENDENT.

[No. 25, series 1905—Extract.]

LINGAYÉN, PANGASINÁN, P. I., 1905.

That education which teaches a person to do something is the best. We must not lose sight of the fact that the child's body, and especially the hand, is to be trained, as well as the mind. In fact, the training of the mind and hand should go together. Boys and girls should be taught to use a measure in determining distance; they should be taught to use the needle and thread skillfully; they should know how to plant seeds and cultivate plants. The boys should learn to whittle and make articles of furniture. The girls should learn to sew, to draw, to make paper flowers, and to embroider, etc.

If a particular industry is famous in a town the teacher of that town should give some time and attention to the teaching of the primary principles of that industry. Such exercises will be not only extremely interesting, but very useful in the development of hand and mind. Collections of the staple products of the community should be made and kept in the school-house.

The teacher must not neglect to develop the physical powers of his pupils. Physical exercises, such as are given in the normal (Dagupan) should be conducted every day in the municipal schools. No pupil is too small or too large to carry out these exercises. Such are a vital part of a pupil's training. No one should be excused from these exercises except on account of physical disability. Pupils should be encouraged to participate in outdoor sports that require some exertion.

DIVISION SUPERINTENDENT.

[No. 24, series 1905.]

TUGUEGARAO, CAGAYÁN, P. I., *July 13, 1905.*

SCHOOL GARDENS.

In view of the fact that the people of the province of Cagayán are nearly all engaged in agriculture, it is our intention to establish agricultural instruction in every school in the province where conditions will permit.

In connection with each barrio school there should be at least a hectare of land devoted to a school ground. The conseil of the barrio should be instructed to fence the ground with a fence made of strong material, such as will keep out hogs, goats, and carabaos. A shed for tools and for boxes in which the seeds are first planted should be built by the people. They should also prepare a portion of the school ground for a school garden. The garden should be laid out in a convenient shape for division into beds, say 6 by 30 feet, reserving a portion in the center of the garden for flower beds and a few feet along each side for shade and fruit trees. This border of trees should surround the whole school ground.

The supervising teacher will assist the native teacher in laying out the garden and giving him the necessary instructions in gardening. The following plan is suggested: Assign one pupil to each plot. Teach him how to plant seeds and how to care for the ground. It is to be his little farm. He will be held responsible for everything in connection with it and will reap all the benefits.

Enough paper should be furnished each pupil to make a small notebook in which he should keep a careful record of (a) the time when the seeds are planted; (b) the time required for sprouting; (c) the number and shape of leaves; (d) the shape and kind of root; (e) the character and condition of soil when placed in box; (f) the location of box with regard to sun and shade; (g) the date of transplanting; (h) the condition of soil in garden; (i) the time of watering; (j) the manner of shading and each step in the growth of the plant up to the time of maturity. He should then be instructed how to prepare the fruit for market, and if he decides to sell his crop a record of the transaction should be made in his notebook.

DIVISION SUPERINTENDENT.

[No. 19, series 1905.]

LOILO, P. I., *July 29, 1905.*

SCHOOL GROUNDS.

Supervising teachers are requested to make immediate report for every public school within their respective districts, along the following lines:

(1) State, in each case, whether the school ground is owned by the municipality under a title considered good in the neighborhood.

(2) Is the school ground adequate to the present and future needs of the school for playground and garden?

(3) What has been done toward improving the school ground in respect to draining, fencing, tree planting, etc.?

(4) Has the school been centrally located with reference to the probable growth of that neighborhood?

It is suggested that during the present wet season tree planting should be undertaken by nearly every school in the division. Young specimens of the handsomest native trees to be found in the vicinity should be planted near the boundaries of the school ground, taking care not to interfere with the free use of the playground and garden site.

It is suggested that every school ground should have two or three Ylang-Ylang trees, with coffee, cacao, and rubber where the soil is suitable.

DIVISION SUPERINTENDENT.

[No. 5, series 1905-6.]

ALBAY, ALBAY, *June 20, 1905.*

SEWING.

Courses in sewing should be instituted wherever teachers are available for this work. This will soon be introduced as a regular course in the central, intermediate, and high schools of this division. Pupils must furnish their own sewing outfits, thread, needles, scissors, etc. Suggestive outlines for sewing classes may be found in Hapgood's *School Needlework*, published by Ginn & Co., Boston. Price, 50 cents.

Although some industrial work has been done in a few schools of the division, yet on the whole it has received but scant attention. Woodworking has been successfully introduced in three schools, and pottery, gardening, and sewing in a few more. But no concerted attempt has yet been made to extend the work. Now is the psychological moment to begin. Let gardening and sewing be the entering wedge for the introduction of industrial work into every school in the division.

It is hoped by this means that a closer connection may be established between the school and its patrons.

The details of this work for the present year will be left with the supervising teachers. The results of the first year's work, methods, etc., will be reported and discussed at the normal institutes, which will be held the six weeks immediately preceding the long vacation, with a view to the preparation of courses that may be followed in succeeding years throughout the division.

DIVISION SUPERINTENDENT.

[Letter of a division superintendent to the provincial board, requesting cooperation in the introduction of industrial education in the schools.]

LINGAYÉN, PANGASINÁN, June 5, 1905.

The PROVINCIAL BOARD,
Lingayén, Pangasinán, P. I.

DEAR SIRS: I have the honor to state that it is the purpose of the department of education to give to the Filipino pupils who attend the public schools a practical education, one that will fit and prepare them for practical life work. To this end the bureau of education has decided to teach in the intermediate and high schools throughout the islands industrial work, such as agriculture, carpentry, metal work, etc., for boys, and sewing, housekeeping, cooking, care of the sick, etc., for girls. The division superintendent of schools for Pangasinán has been requested to organize and develop, as far as possible, these lines of work, or a part of those above named.

It is desired to establish, at the present, industrial work for boys in connection with the high school. This instruction will be given by a teacher who is thoroughly equipped for such work. Carpentry will be first introduced, and before the end of the school year it is hoped that we will be able to begin metal work.

The department of education will provide us with machinery and a part of the tools needed for such work, and we request the provincial government to supply us with material and additional tools necessary to make this work a success and to accomplish the end for which such work is designed.

It is the desire of the department of education to offer the girls attending the high schools such an education as will best fit and prepare them for life's duties. To this end it is recommended that there be established in connection with the high school in this province a department of school work wherein the industrial features of cooking, sewing, housekeeping, care of the sick, etc., can be taught the girls.

The department can not furnish us any material or equipment for this work. I therefore have the honor to request that the provincial board supply us with all materials and means necessary to establish this department of school work in connection with the high school.

Further, in order to teach girls housekeeping, cooking, etc., it is necessary that they be under the direct supervision and care of one of the lady teachers whose duties will be not only to teach the work outlined above, but to teach them how to care for their health, laws of hygiene, sanitation, etc. It is therefore recommended that the province authorize the use of a part of one of the school buildings for a dormitory, and that a nominal price be charged for the board of each girl who enters this dormitory in order to obtain instruction in the subjects outlined above. It is further recommended that the division superintendent of schools for Pangasinán be authorized by the provincial board to make arrangements for the above-named instruction and to charge the girls for board, a nominal price, not less than ₱8 nor more than ₱15 per month; the amount thus collected to be turned into the provincial treasury as a partial return of the necessary expenses incurred in the maintenance of such a department of school work.

DIVISION SUPERINTENDENT.

OUTLINE OF WORK IN DOMESTIC SCIENCE.

FIRST YEAR, GRADE IV.

Domestic art.

I. Study of cotton. (Industrial.)

1. Growth.
 2. Harvest.
 3. Manufacture.
- (By stereographs and plants.)

II. Study of stitches.

Models completed.
Nos. I, II, and III.

III. Mending.

IV. Darning.

V. Patching.

Drawing and models for notebooks.

VI. Native cloth. (Industrial study.)

1. Names.
2. Utility.
3. Crude weaving.
4. Marketing.
5. Laundering.

Domestic art—Continued.

VII. Buttons.

VIII. Buttonholes.

Models completed.

1. Square of stitches.
2. Mat.
3. Workbag.

Hygiene and housekeeping.

I. Domestic science defined.

II. Hygiene defined.

Study of—

Personal hygiene.

Domestic hygiene.

III. Care of the hands, hair, and teeth.

IV. Study of homes (by stereographs.)

V. Personal hygiene.

Study of—

1. Air.
2. Water.

OUTLINE OF WORK IN DOMESTIC SCIENCE—Continued.

FIRST YEAR, GRADE IV—continued.

Hygiene and housekeeping—Continued.

V. Personal hygiene—Continued.

Study of—Continued.

3. Food.

4. Clothes.

5. Habits.

VI. Ethical study.

(Good homes.)

(Good people.)

(Good government.)

VII. Industrial work. (In the model building.)

1. Cleanliness.

Hygiene and housekeeping—Continued.

VII. Industrial work. (In the model building)—Continued.

2. Order.

3. Furniture.

4. (Improvising) systematic work.

VIII. Industrial study (by stereographs).

1. Grain.

2. Fruit.

3. Vegetables.

Cattle ranches. Sheep ranches.

SECOND YEAR, GRADE V.

Domestic art and laundering. (Plain sewing.)

I. Towels.

II. Bed linen.

III. Children's garments. (Study of finished models.)

IV. Cutting and finishing.

V. Laundering. (In the laboratory laundry.)

1. Dyes and dyewoods.

2. Soap.

3. Starch.

4. Stains.

5. Bleaching.

6. Sterilizing.

7. Ironing.

VI. Machine stitching.

VII. Hemstitching.

Drawn work.

VIII. Drafting.

Patterns.

Camisa.

Night robe.

Hygiene and housekeeping.

I. Disease. (Health reports.)

Sanitation.

Hygiene and housekeeping—Continued.

II. Destruction of household pests.

III. Use of—

Disinfectants.

Antiseptics.

IV. Sterilization.

(Practical demonstration.)

V. Study of markets.

1. Sanitation.

2. Contamination of foods.

3. Method of vending foods.

VI. Industrial study (laboratory).

1. Care of food.

2. Care of water.

3. Care of house.

4. Floriculture.

VII. Industrial study.

1. How to set a table.

2. Dish washing.

3. Bed making.

4. Serving.

VIII. Industrial study (laboratory).

1. Study of native foods.

2. Breakfast—lunch—dinner.

3. Menus.

THIRD YEAR, GRADE VI.

Domestic art and improvising.

I. Cutting and fitting.

Laboratory apron.

Laboratory cap, holders, etc.

Infant's wardrobe.

Study of sanitary clothes.

Finished models.

II. Ornamental household linen.

Table covers.

Doilies.

Napkins.

Study of finished models.

(A linen chest.)

III. Improvising.

Wardrobe. (Combination of rough wooden box and curtain material.)

Domestic art and improvising—Continued.

IV. Improvising.

Dressing table.

Washstand.

Sideboards.

V. Improvising.

Kitchen furniture.

VI. Ice box.

Food box.

VII. Ovens (asbestos).

For native fireplace.

For oil lamp.

VIII. House decoration.

Window box.

Plants.

Pictures.

OUTLINE OF WORK IN DOMESTIC SCIENCE—Continued.

THIRD YEAR, GRADE VI—continued.

Bacteriology, cooking, and nursing.

- I. Bacteria:
 1. Disease.
 - Tuberculosis.
 - Fever.
 - Cholera.
 2. Yeast—*Saccharomyces*.
- II. Disease.
 - By inhalation.
 - By ingestion.
 - By inoculation.
- III. Human nutrition.
- IV. Foods.
 - Carbonaceous.
 - Nitrogenous.
 - Oleaginous.
 - Mineral.
- V. Chemistry of foods.
 - Chemical changes.
 - By digestion.
 - By cooking.
- VI. Cooking. (In the laboratory.)
 - Cereals.

Bacteriology, cooking, and nursing—Cont'd.

- VI. Cooking. (In the laboratory)—Cont'd.
 - Vegetables.
 - Fish.
 - Meat.
 - Soup and broth.
 - Fruits—jellies, preserves.
 - (Receipts for notebooks.)
 - Bread, cake, and pudding.
- VII. Nursing.
 - Sanitation.
 - Disinfectants.
 - Antiseptics.
- Baths.
 - Administration of medicines.
 - Record work.
 - Thermometer.
 - Record of symptoms.
 - First aid to the injured.
 - Use of Bichloride.
 - Care of infants.
- VIII. Therapeutic cookery.

In a communication three months later the division superintendent of schools for Pangasinán made the following statement on the establishment of domestic science and tool work in the provincial high school at Lingayén:

Relative to the industrial work that is being done in this division I desire to state that most of the industrial school work that is being done here is in connection with the high school in Lingayén.

At the beginning of the school year the provincial board rented two buildings to be used for industrial class work. One of these buildings is used for class work in drawing, carpentry, etc., by the boys, the other for domestic science by the girls.

INDUSTRIAL WORK FOR BOYS.

This branch of instruction is fairly well organized and is being rapidly developed by the instructor in charge. Our chief object is to make the work attractive, practical, and of value to the pupils. The outfit for drawing and carpentry, including tables, instruments, and a few tools that have been supplied by the department and the province, has cost about ₱200. The instructor has just added a blueprint outfit at a small cost, and later a course of tracing, drafting, blueprinting, etc., will be systematically given in connection with the making of plans for school desks, schoolhouses, etc.

After the work is thoroughly organized it will accord with that outlined in the course of study prepared by the general superintendent for all schools.

The following report, submitted by the instructor in charge, indicates clearly what has been done up to the present:

The only subjects thus far attempted during this, the first year of the work, are wood-work and drawing.

The work is given to six classes, each class having an enrollment of from 20 to 24 boys.

The programme was arranged so that each class would get five periods of work per week, two double shop periods and one drawing period. Girls' domestic science was so arranged that they would get that subject while the boys are in shop.

The programme is as follows:

Class.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
VI.....		Shop.....	Drawing.....	Shop.....	.....
V.....		do.....	do.....	do.....	.....
IV (1).....		do.....	do.....	do.....	.....
IV (2).....	Shop.....		do.....		Shop.....
IV (3).....	do.....		do.....		do.....
IV (4).....	do.....		do.....		do.....

At the opening of the present school year a house was rented for this department and lumber was furnished from the provincial storehouse. A limited number of tools, furnished by the bureau of education, were on hand, and these have been augmented by the loan of the instructor's tools. Later a few were procured from the provincial storehouse.

At present the set is about as follows:

10 planes, assorted.	3 carpenter's steel squares.
3 saws, crosscut.	2 braces and set of bits.
3 saws, miter.	3 hatchets.
3 saws, rip.	12 hammers.
12 chisels.	3 oilstones.
20 files, assorted.	1 grindstone.

But few of the above tools were wisely selected, the larger part being unhandy for the boys to use.

On account of the limited number of tools the whole of each class can not at present be instructed in the shop. Ten of the largest and strongest boys were selected from each class and these have carried on the work up to date. The remainder in place of shop have one period of special drawing and one study period.

The work in the shop had to begin on a pile of rough Oregon pine of dimensions 3 by 3, 4 by 4, and 2 by 12, and a few boxes to work on. Rough sawhorses and benches were hastily constructed by the pupils. Working on these, the parts of the finished benches of simple design were then gotten out and put together. The shop at present has benches to accommodate 24 boys. When the full set of tools promised by the bureau of education arrives the regular course of shop exercises will be begun. In addition to fitting up their own shop the boys have done a great deal of job work for the other departments of the high school, including the fitting up of the house for domestic science. Many boys have been permitted to make small things for themselves. The following is a partial list of things turned out to date:

Large dining table.	Sawhorses.
3 kitchen tables.	Platform for chorus of 36 voices.
Cutting table.	Bulletin boards.
Dressing table.	Folding cot.
Shelves for storeroom and kitchen for domestic science.	Folding washstand.
Locker for models in drawing.	Corner shelf.
Model for drawing.	Parts for small model schoolhouse.
Bench stops and vises on the benches.	Blueprint frame.

In addition to the above the course as outlined includes the following:

Hat rack, bench hook, miter box, wall shelf, picture frame, paper file, vise handles, chisel and file handles, embroidering frame, book rest, dictionary stand, toilet table, pantograph, small chest, stool, stretchers for coat and trousers, etc.

The idea that has governed in selecting all of the above exercises is "utility." The objects produced are not for making a show in exhibitions, but for the boys to take to their homes and put to practical use there. All theoretical processes will be fitted to their proper places in these exercises. It was noted from the first that some parts of the work are too hard for many of the boys. This is particularly true of rip sawing, which results in excessive perspiration and leaves the pupil in no condition to go to his other classes. In view of this it is suggested that if there is no sawmill near the school where stock lumber can be reduced to the dimensions wanted the instructor insists on having a small circular or band saw as a part of the first equipment of his shop. Too much hard work at first, while there is little interest or desire to excel, is apt to arouse a dislike for the work that can never be overcome and that will be fatal to all subsequent success. In the present case it was found that the boys met the difficult situation most courageously. Notwithstanding unhandy tools and poor wood, better results have been obtained than were expected, the reason therefore being that at first an honest effort was accepted and credit given even where the character of the work was far from good. The boys were thus encouraged to begin the next job with increased confidence.

The work in hand at present consists of job work for other departments and the preparation of the parts for a model schoolhouse to be constructed on a scale of 2 inches to the foot. Each pupil will make for himself a carpenter's steel square on the same scale. Working with this square he will be taught to solve the most important problems in framing of wood houses.

A series of talks is being given to the classes from time to time, taking up such subjects as the use and care of tools, the principal woods of the Philippines, the interpretation of simple working drawings, etc. Later a series of experiments will be done before the classes to illustrate the stiffness, strength, and other qualities of the various woods.

The drawing has been carried on under the same instructor with the assistance of another teacher. The work to date has been very elementary, it having been found that the pupils lacked the preparation in plane geometry that they should have had before taking up this work. Hence simple constructive problems in plane geometry have occupied a large part of the time and will probably do so during the entire year. The drawing of the shop exercises in projections has been begun and will be continued in connection with the course in the shop. The drawing room is fairly well equipped.

It is thought that most of the pupils enjoy the work, both in the shop and drawing room. Many of them take a great deal of interest and some show a degree of skill. There have been quite a number of applications for permission to work on Saturdays, which have been granted, and the instructor and also the principal of the school now devote their Saturdays to helping those who wish to make useful things for themselves.

It may be stated in closing that the outlook is bright; the distaste for work so often heard of has shown itself very little here. If the interest continues as it has been until the end of the year the experiment will have been more successful than any here had dared to hope for.

Instructor in drawing and shop work.

DOMESTIC SCIENCE.

This work has just been organized. The instruction planned for the present year is not extensive. The chief object of the present year's work is to teach the parents as well as the pupils the value of such an education.

The provincial board rented a very good building in a pleasant part of the town to be used by the domestic-science department. This building was fitted up not only for class work, but also as a home for some of the girls. The two main features of this work are the purely industrial part, such as sewing, cooking, etc., and the home life.

Class instruction is given to about 50 girls. All the classes in domestic science do their work and receive their instruction in the building prepared for such work. Every class in school is made up of boys and girls. While the boys of one or two classes are doing shop work the girls of those classes are engaged in sewing, cooking, etc. This department is becoming quite popular with the girls. They all enjoy the instruction.

The other feature of the work—that of home life—is taught in a practical way. All the domestic-science work, it may be stated, is given in a home prepared for the girls. Preparations are made whereby 12 girls may live in this home or "Home Useful," as the girls call it. The charge is nominal, just a little more, however, than they would have to pay for board and room out in town. Board and room in town cost from six to twelve pesos. Each pupil who will live in the home pays ₱12 per month. By strict economy the total amount paid in will defray the expenses incurred in the purchase of food. The auditor has decided that the "equipment for schools for manual-training purposes may properly be purchased from provincial funds," also that "the purchase of food stuffs and other materials which are strictly necessary for making experiments and demonstration in cooking in manual-training schools is a proper charge against provincial funds." Under this ruling the province has supplied the outfit needed, as well as the supplies for experimental and demonstrative purposes.

The total cost of the outfit, including chairs, 12 iron beds, cooking outfit, and everything that constitutes an absolute need up to the present date amounts to ₱900.

All the girls in the department of domestic science regard the "home" as theirs. However, up to date but 7 have availed themselves of all the advantages offered. Others will enter in a short time.

The instructor in charge indicates in the following report what has been done up to the present:

For this work all the girls are divided into classes. The largest class contains 19, the smallest 13. The sewing work began June 17. Our outfit for about 50 girls consisted of a few papers of needles, a few spools of thread, and fifteen pairs of small shears. We had plenty of work to start with, for the boys needed aprons for their carpentry work. The first three weeks were spent at this very uninteresting work of hemming and sewing over and over.

It then became necessary, in view of the prospect of opening the dormitory for girls, to prepare table linen and towels for the house. The sewing classes hemmed all the towels, tablecloths, and napkins, and marked them with initials embroidered in the outline stitch.

The pupils then made sewing bags marked with their initials in which bags they keep their work, needles, and cushion. It is a part of the plan to have each bag supplied with all the necessities for sewing, but that has not been accomplished yet.

So far all of the work had been done by hand, but at this point the province supplied a fine new sewing machine and two pairs of good shears. In anticipation of the time when the stove should be here and the cooking classes should begin, each girl bought cloth for an apron which she took a good deal of interest in making.

Sash curtains were made and put up in all parts of the house. A dry-goods box which had been furnished with a lock and hinges the girls covered and lined, making a receptacle for the table linen and towels. An old cupboard without doors was curtained, draperies and pictures, such as could be supplied, were put in place by the girls. The empty house was made a really attractive and cheerful place, and not only the girls who hoped to enter took an interest in it, but also every girl in the school seems to feel that she has some share in the home.

Now that the furnishings necessary for the present are nearly completed, each girl is practicing hemstitching on a square of linen for handkerchiefs or lunch cloth. When finished these will be sold if purchasers can be found, and the proceeds will go to buy more material.

It is the plan that their next sewing work will be skirts for themselves, when it is hoped they will learn to make skirts that will be more suitable for school wear than the long ones which they now wear.

As to the future, we have Mrs. Platt's course, and we hope to work to it as our limitations and necessities will allow.

While the work in sewing has been valuable to the girls, the work of preparing the house for occupancy has, I consider, been invaluable.

The present plan of the week for regular class work is two days' sewing, one day a lesson on foods from notes given by the teacher and put into notebooks, one day practice in cooking with recipes put into notebooks, and one day a lecture and notes on the meaning and value of domestic-science work, the relation of the different members of the family to one another and of each to the home, care of the person and the home, morals and manners, and hygiene, allowing questions on all points.

In the home, which was opened September 1, the girls do most of their cooking and the dishwashing under the supervision of the teacher. Each girl takes care of her own part of the sleeping room, and the dusting and cleaning is done by the girls, with the exception of the floors.

Attention is paid to regular habits of work, study, recreation, eating, and sleeping.

You ask the question, "How do the girls enjoy the domestic-science work?" If I can judge from appearances the period in domestic science is welcomed by the pupils, for the entire change of work and novelty of accomplishing something with their hands. I consider that the girls have taken very kindly to the work.

Our kitchen is light and airy, and there is an effort to keep it in inspection order all the time. It is furnished with a good stove and utensils for cooking.—Instructor in Domestic Science.

DIVISION SUPERINTENDENT.

[No. 25, series 1905. Extract.]

LINGAYÉN, PANGASINÁN, P. I., 1905.

SCHOOLROOM DECORATIONS.

Every schoolroom should be cheerful and attractive. Many schoolrooms are dark, dingy, and unattractive, and, as such, constitute a poor environment for the development of the æsthetic side of education. The bare walls of the schoolhouse can be beautified and made attractive by the use of a few pictures and decorations. It may be difficult to secure desirable pictures for the schoolroom, but it will not be difficult to secure flowers or decorations that can be made by the pupils or the people of the community.

The school surroundings should be made attractive. Plant flowers and trees in the school grounds. Children will take great delight in beautifying the schoolroom and school grounds if the teacher will instruct them as to what should be done. Every teacher is expected to see to it that the schoolroom and school grounds are kept in good condition and made pleasant and attractive by the means suggested above.

This is a part of education.

DIVISION SUPERINTENDENT.

[Letters and extracts from reports of division superintendents on the results obtained in compliance with Circular No. 5, series 1905, issued by the office of the general superintendent.]

ALBAY, ALBAY, P. I., May 13, 1905.

I take the liberty of handing you herewith some seven pictures illustrative of our baseball team and to give notice that a series of games was played April 6, 7, and 8 in Sorsogón Province between baseball teams representing the schools of Albay, Masbate, and Sorsogón provinces.

With coming years "trophy" contests will undoubtedly become of great interest in school work of southern Luzón. Throughout the school year contests will be held in each of these three provinces to secure provincial champions. These will contend for the "trophy" in the first week of each long vacation.

So successful was this series that it is the intention in April, 1906, to combine other school work with the three-day field meet—say mornings for literary and other school contests (arithmetic contests, debates, declamations, etc.), afternoons for running, jumping, and general athletics, besides the "trophy" games, and evenings for theatricals by students, concerts by school orchestras or bands, quartets, choruses, etc., with a reception for students, teachers, and officials of Albay, Sorsogón, and Masbate. To all of these the public will be invited.

From the "trophy" contestants we expect to select a combination team to be taken to Manila, provided the coast guard service can be convinced that such would be official business warranting transportation. The cost of food and other expenses can be defrayed by local contributions, which we can easily secure. With one or two teachers, these ball players—say 20 or 25—would have a "personally conducted" excursion, visiting government offices, printing plant, ice plant, street-railway power houses, and the numerous points of interest in Manila. Ball games and athletic contests with the insular normal school, city schools, Cavite champions, Liceo de Manila, etc., could be arranged, advertising the visit and arousing interest in schoolboys and their work. Games and plans will be arranged in January coming, and will undoubtedly bring provincial schools into prominence.

From the experience in Albay and Sorsogón the past year I can state that there is no branch of school work which arouses greater interest of pupils, parents, and officials in the public school than does baseball. It has enormous influence on the character of pupils, teaching perseverance, courage, and greater effort under difficulty. It teaches friendly, manly, clean competition. It increases the attendance of the schools wherever introduced, and wonderfully improves the percentage of attendance. Certain schoolhouse construction and repair of the past six months has been primarily due to the interest aroused by baseball.

DIVISION SUPERINTENDENT.

[Extract.]

CAGAYÁN, MINDANAO, P. I., *May 19, 1906.*

In the provincial high school upon the announcement of the competition the boys immediately began to clean up and beautify their garden, which has already been laid out so well as to attract considerable attention of the townsfolk. The garden in reality comprised almost all of the land pertaining to the school. The boys at once began to plant more flower plants along with the vegetables. Surrounding the flower beds were constructed artistic fences of bamboo and rattan. Many of these little fences were painted. Upon pedestals erected in the center and corners of the plots were placed flowerpots containing beautiful flowers which the boys had brought to the school garden from their homes. The passages between the flower beds were kept scrupulously clean. The boys were not content to confine their garden work to the space of time provided within school hours, but many of them worked night after night as late as 10 o'clock. The place soon attracted much attention, and the school girls and teachers, together with parents, frequently visited the garden, offering helpful suggestions to the boys at work there. Enthusiasm in the work continued up to end of the school year.

DIVISION SUPERINTENDENT.

[Extract.]

IBA, ZAMBALES, P. I., *April 13, 1906.*

The results of this work are very apparent. The barrio schools (each one in its own building) are neat, clean, and pretty. They have their yards fenced. There are flowers inside and out. They have made benches, hatracks, flower baskets, and flower beds. They have instituted many reforms in dress and cleanliness.

The central school is a model of neatness and beauty. The whole yard has been inclosed by the pupils with a pretty bamboo fence. Flower beds have been made and inclosed with fancy fences. The grove back of the building has been cleaned and beautified. Barren places have been covered with turf. The whole yard is kept scrupulously clean.

The rooms in the schoolhouses are pretty and fresh because of the abundance of potted flowers and palms and the many drawings mounted in frames made by the industrial classes. Hatracks and other articles of furniture add to the appearance of the rooms, as well as to the comfort of pupils and teachers.

DIVISION SUPERINTENDENT.

EXHIBIT B.

REPORT OF THE CHIEF OF THE BUREAU OF ARCHITECTURE AND CONSTRUCTION OF PUBLIC BUILDINGS.

MANILA, P. I., August 15, 1906.

SIR: In compliance with instructions contained in your letter of July 11, I have the honor to submit the following report covering the operations of this bureau during the period July 1, 1904, to June 30, 1905.

The authorized employees during the year were as follows: Chief of bureau; master builder; 1 superintendent of construction, class 6; 1 electrical engineer, class 6; 1 disbursing officer, class 6; 1 chief clerk, class 6; 1 draftsman, class 7; 2 draftsmen, class 8; 1 property clerk, class 7; 1 mechanical engineer, class 8; 2 stenographers, class 8; 1 bookkeeper, class 9; 1 storekeeper, class 9; 2 junior draftsmen, class F; 2 junior draftsmen, class G; 2 clerks, class I; 1 clerk, class K, and 1 messenger.

The position of mechanical engineer has been vacant since September 1, 1904, and that of superintendent of construction since January 1, 1905. The property clerk tendered his resignation to take effect May 1, and the trial is being made of having the positions of property clerk and bookkeeper filled by one American and two native clerks, instead of two American clerks, as heretofore. This arrangement has so far not proven satisfactory.

The total amount of overtime performed by the office staff during the year, for which no extra compensation was allowed, was 3,833 hours and 53 minutes, or, at the rate of six and one-half hours per day, 590 days for one man.

The total amount of absences during the year due to sick or vacation leave of all of the office force was 317½ days, and the total amount of accrued leave, except that taken by employees on resignation, was 24 days.

The bureau has employed during the fiscal year an average of 346 skilled and unskilled laborers per month.

With the exception of finishing up buildings in course of construction during the last fiscal year, of which mention was made in the last annual report, the new quarantine station at Cavit Island, coal sheds at Romblón, Iloilo, and Cebú, and the various improvements at Baguio, Benguet, no permanent public works have been undertaken during the year. While the number of buildings for which complete working plans and specifications were made greatly exceeds that of any previous year, most of the work actually executed consists of repairs, alterations, and minor additions.

The records of the drafting room show that during the year 250 sheets of drawings and 900 sheets of blueprints were made.

A change has been made in the character of the "building supplies" fund, so that it is now a reimbursable fund. All supplies are purchased from this fund, and when used the cost thereof is charged to the appropriation for the building or premises on which the material is used and the "building supplies" fund credited with a like sum.

The following is a general description of the work performed for each bureau or separate building.

AYUNTAMIENTO.

The marble hall has been redecorated, the scheme used being an exact duplicate of the original decoration. The tapestry hangings for the walls had to be ordered from Spain. The raised dais, railings, and desks which were formerly in the old sessions hall were transferred to the marble hall, the dais and railings being remodeled to conform to the new position. The main foyer, staircase hall, second-story corridors, and offices have all been repainted and neatly decorated. The old sessions hall has been subdivided, so as to provide an office and anteroom for the vice-governor.

During the progress of the foregoing renovations it was discovered that the heavy hard wood floor beams of the second story, at the bearings on the exterior wall, were decayed to such an extent as to seriously impair their strength, and girders have been placed under the same in such manner as to insure the safety of the floors for a number of years. The

timber framing of all the second story exterior walls is more or less decayed, and it is recommended that the entire second story of the building should at no distant date be reconstructed, using only steel and concrete. The first-story walls are exceedingly substantial and in excellent condition, and easily capable of supporting a second, and even a third, story.

A number of additional electric lights and several call bells and fans were installed in the various offices. Permanent shelving was constructed in the record department to provide additional space for the vast quantity of records that have to be preserved. Book racks for approximately 20,000 volumes have been constructed in the corridor of the marble hall.

AUDIENCIA AND POSTIGO BUILDINGS.

The Postigo Building, which had been unoccupied for some time, was renovated and fitted up as a storage place for the records of the supreme court. The tile roof was repaired, the floors strengthened, the interior painted, and proper racks constructed.

CIVIL SANITARIUM AND OTHER BUILDINGS, BAGUIO, BENGUET.

An extension to the civil sanitarium has been built, containing 24 additional bedrooms, with bathrooms, etc.

Additional bath and toilet facilities were also installed in the wards in the old sanitarium building. A complete water supply was installed for the use of the sanitarium, a hot-air engine being used to raise water from the spring to the storage tank, which supplies the plumbing fixtures throughout the sanitarium. A septic vault was constructed below the sanitarium, to which was carried the waste of the various fixtures.

New standing seam-galvanized iron roofs have been placed on all the cottages and on the sanitarium. An experiment has been made of roofing the building occupied by the attendants and servants and the constabulary quarters and commissary buildings with shingles made from the native Benguet pine. From present appearances it is believed that a shingle roof will be the most satisfactory for future construction, the cost being approximately the same as for an iron roof.

A stable, with glass roof, was built for the Philippines Constabulary, containing 20 stalls, feed room, harness room, and a storage space for wagons.

Considerable difficulty having been encountered in securing a satisfactory heating apparatus for the Baguio buildings, this bureau, after several experiments, finally designed and manufactured, in Manila, and shipped to Baguio ready to be set up, several sheet-iron stoves, which have proven very satisfactory.

BUREAU OF PRISONS.

The workshops, mentioned in the last annual report, have been finished, the machinery installed, and is now in operation.

BUREAU OF COAST GUARD AND TRANSPORTATION.

The machine shop and warehouse are completed and occupied. The plans for the former were modified, so as to form a complete second story, which was divided off into rooms and now forms the main office of the bureau.

Wiring for electric lights and fans has been installed.

This machine shop is provided with a railroad track, running the entire length of the building, to facilitate the handling of heavy machinery and supplies.

The water-supply line, commenced last year, has been extended to and around the various outbuildings and to the marine railway, and is provided at regular intervals with standard brass hose valves. This system is so connected with the power plant of the machine shop that in case of fire sea water can be pumped direct from the canal into the lines. The principal use of the system is to provide fresh water to the buildings and to the fleet of coast-guard cutters, which heretofore had to be supplied from "water boats."

A detached wooden building was erected on the sea wall adjacent to the machine shops and fitted as toilets for the use of the officers and workmen on the island.

QUARANTINE SERVICE.

A new quarantine station has been built on Cautit Island, port of Cebú, appointed as follows:

Building for first-cabin passengers; building for second-cabin passengers; officers' quarters; bath house; disinfecting building; attendants' quarters; windmill; dock and gang-

way; three small isolated buildings for infected persons; a barbed-wire inclosure for tents to accommodate overflow occupants of first and second cabins.

The station is at present complete, with the exception of the installation of the windmill tower and tank and the artesian well. Complete water-supply and sewer systems have been installed and the buildings otherwise completely equipped for their various requirements.

PHILIPPINE CIVIL HOSPITAL.

The most important work at the civil hospital consisted of changing over the building formerly occupied as attendants' quarters into a maternity ward.

The building is completely fitted up, and consists of two wards, three private rooms, and a delivery room, toilets, etc., and has also been wired and fitted with electric lights and signal-bell connections to the main building.

The attendants are now quartered in the small building at the rear of the hospital, formerly used as a chemical laboratory by the bureau of government laboratories, which was provided with toilet and bath and renovated for their use.

BUREAU OF CUSTOMS AND IMMIGRATION.

The most important addition to the customs premises in Manila was the construction of a heavy wrought-iron fence around the entire premises, so that access can now be had only through gateways guarded by watchmen.

A continuous line of covered platforms has been erected around the inner court to facilitate the handling of merchandise and as a protection against the weather.

Nine concrete foundations have been installed on the wharf and in the appraiser's stores for platform scales.

To minimize the fire risk there has been installed a stand-pipe system, to which the city fire department can connect their engines and which is provided at various points through the main building with standard valves and hose.

Also there has been installed a Gamewell auxiliary fire-alarm system, with 11 stations, in direct connection with the city fire-alarm system, permitting the instantaneous record of an alarm of fire directly from any one of the 11 stations to the nearest engine house.

Numerous additional electric lights and several additional fans have, during the year, been installed in various parts of the building. The new appraiser's office and the harbor launch office have also been wired for electric lights. The interior telephone-exchange system has been fitted with improved lightning arresters, and additional connections established between the local switch board in the custom-house and the military telephone exchange, thus greatly facilitating the service.

The acetylene-gas plant was removed and stored, and the apparatus is available for use wherever required.

Quarantine station, Engineer Island.—The coast guard water-supply system has been extended to the quarantine detention station, thus obviating the carrying of water to this building in "water" boats.

Corregidor Island.—A small three-room building has been constructed on Corregidor Island for the quarters of the signal sergeant and his assistant, the timbers of which are carried up to a height sufficient to form an observation tower.

BUREAU OF THE INSULAR PURCHASING AGENT.

Coal sheds have been constructed at Romblón, Iloilo, and Cebu, with the respective capacities of 1,500, 2,500, and 2,500 tons.

A mezzanine story has been constructed in one of the insular purchasing agent's warehouses.

ORIENTE BUILDING.

The stable in the rear was entirely roofed over, stalls taken out, track for push carts installed, and put into shape for use as a bodega. A hand-power freight elevator was installed. In that part of the bodega occupied by the ordnance division of the Philippines Constabulary an oven for blueing arms was made and installed.

A return-call push-bell system and annunciator have been installed in the offices of the bureau of internal revenue.

INTENDENCIA BUILDING.

The old roof was taken off, the timbering strengthened and renewed where necessary, and a galvanized iron roof put on, including gutters and leaders.

In the offices occupied by the bureau of public lands the large hallways were floored over level with the main offices, the interior windows changed into doors, a new stairway cut to the entresuela, and the premises painted and fixed up throughout.

Brass grill work was installed in the partitions in the offices of the treasury bureau.

MALACANAN PALACE.

The old roof was taken off, the old timber framing strengthened, the damaged portions removed, and a new galvanized-iron roof put on. The interior painting was renovated. The dining room ceiling was raised.

This is the only insular building in which the electric wiring has been changed to allow the use of the new current furnished by the Manila Electric Railroad and Light Company.

EXPOSITION GROUNDS.

All the school buildings were painted on the exterior. A portion of the building known as the Northeast Building has been fitted as a demonstration laboratory. Laboratory desks and hoods, on a model of those designed and constructed by this bureau for the government laboratory, have been installed and fitted with sinks, gas, water, waste pipes, etc. Gas for demonstration work is brought by a pipe line from the generators at the government laboratory.

SANTA POTENCIANA BUILDING.

Several offices were repainted and decorated. Several additional electric lights and fans were installed.

BUREAU OF PUBLIC PRINTING.

The electrotype and stereotype division of this bureau was removed from the second to the first floor, necessitating the installation of water, steam, exhaust and waste piping, strengthening the floors, the erection of partitions, and painting. The fixtures in the old toilet room were removed and the room converted into an ink-mixing room, a small store-room being fitted up as a toilet.

The installation of a new sewer and the widening of Calle Concepción necessitated the removal of the fence and the lowering of the cesspool to conform to the new grade.

CUARTEL FORTÍN.

A large media agua was constructed along the entire westerly side of the building.

The new civil supply store in the Cuartel Fortín was wired and fitted for electric lights and fans.

SAN LÁZARO HOSPITAL.

One of the lower rooms was converted into a laundry for the leper department, a new cement floor being laid, and the laundry connected with the water supply and sewer.

An outbuilding was constructed and fitted with a water-closet and bath for the use of the American employees. The water supply was carried to the autopsy tables in the morgue building. A 10-inch hot-air pumping engine was installed in the base of the storage tank tower to raise the water to the tanks above to insure water for the hospital at all times, as the city pressure would raise water to the tank for a few hours only each day.

The easterly and southerly exterior faces of the buildings were repainted. A large amount of grading and filling was done on the premises.

The former women's department was converted into a department for the insane, the premises being divided off into rooms and corridors, with strong partitions. Bilibid Prison having become so crowded it was found necessary to remove the insane patients, which heretofore had been confined there, to more spacious quarters. It was then determined to remove the women's department from San Lázaro Hospital to a rented building in Sampaloc and convert the rooms so vacated into an insane department.

A stable was erected with accommodations for 4 native ponies and 2 American horses, feed room, and attendant's quarters.

A cold-storage box for bodies was constructed in the morgue.

SAMPALOC HOSPITAL.

A large building on Calle Alejandro VI was rented by the board of health and the necessary alterations and repairs made to fit the premises for a women's hospital.

SERUM INSTITUTE, SAN LÁZARO.

The stables and sheds were repaired and put into good condition and the premises filled in and drained.

BUREAU OF GOVERNMENT LABORATORIES.

While the new building was virtually completed at the date of the last annual report, the installation of the extensive machinery equipment delayed the formal transfer of the building to the bureau of government laboratories until March 7, 1905, upon which date the machinery, with minor exceptions, was put in operation.

The completion and transfer of the building, occurring coincidentally with the visit of the Philippine Medical Congress, was made the occasion of a formal public reception at which the entire building was thrown open to visitors, the laboratory staff being present to explain and illustrate the uses and working of the various apparatus and machinery.

The work of the bureau in connection with this mechanical equipment during the period covered by this report embraced the erection of two 75-horsepower water-tube boilers, two 60 horsepower "Ideal" engines, two 37½ kilowatt Westinghouse generators, Wainright feed water heater, donkey and feed pumps, vacuum pump, and air compressor, together with their accessory piping, valves, and other fittings. A refrigerating plant, consisting of a motor-driven "Brunswick" ammonia compressor, brine tank, circulating pump, and necessary piping for cold-storage rooms was also installed, connection from the same being established with a refrigerator built on the second floor of the main building. Exhaust ventilation piping was also installed throughout the building, connecting the laboratory hoods with a motor-driven exhaust fan in each of the central towers. The erection of the gas-generating apparatus was also completed and smoke piping and headers constructed for the same, connecting with the main stack. The steel smokestack constructed in Singapore and delivered in sections was riveted together and put in place on the brickwork setting prepared for it. A crematory for the disposition of animal remains and laboratory refuse in general was constructed and its flue outlet connected with the main stack. Numerous small motors connected with centrifuges, shakers, and other laboratory apparatus were installed and connected, as also a complete equipment of machine tools, embracing lathe, shaper, drill, press, and grinders, together with the motors, rheostats, and shafting pertaining thereto. The distilling apparatus imported from Germany was connected with the steam and water system in the main building.

A complete switchboard, embracing two generators, one main and one subdistribution, and a gauge panel was installed and connected with the wiring system of the building. Eight distribution panels were also installed in the corridors of the main building, permitting of the ready control and economical distribution for lighting and power purposes of the current generated. Wires were drawn through and fixtures connected throughout the building to the system of iron-wiring conduits installed in the preceding year.

A Gamewell auxiliary fire-alarm system was installed to connect with the city fire-alarm service.

While some difficulty was at the outset experienced in securing the smooth operation of all of the foregoing machinery, this was to be anticipated in view of the inexperience in this class of work of the native laborers chiefly employed in its erection and of their unfamiliarity with the materials used. Such difficulties were minor in character and resulted chiefly from defective joints in steam and other piping, imperfect joints and wrong connections in electric wiring, and in a few cases injuries received to apparatus or adjustments during transportation or erection.

At the date of this report all of the machinery equipment is in satisfactory operation, and while sufficient data have not up to this time been accumulated to warrant a concise and definite statement as to the cost of its operation it is believed from such information as is available relative to its performance during the past few months that the plant will prove adequate and economical in the conditions involved. At the present time and with the existing laboratory staff somewhat less than half the total power capacity suffices for normal requirements. In designing this power equipment provision was made for both the normal and extraordinary requirements of a complete laboratory staff, as outlined by the superintendent of government laboratories, as also for the needs of such wings or out-buildings as it was then contemplated might be added in the future to the present laboratory building.

Among other items, an electric furnace was installed for the reduction of refractory ores, the operation of which to the limit of its capacity necessitates the full power of one engine and dynamo unit.

In view of the serious importance that would under conditions of pressure attach to any breakdown of the machinery equipment of this building, and of the fact that alterations or extensions to a plant of this character are disproportionately expensive, it is believed, in the light of this bureau's experience in such matters during the three years past, that the provision made will eventually prove to have been a sound investment.

The foregoing is only a general description of the larger jobs, in addition to which numerous minor repairs and alterations have been made to the various insular buildings, embracing repairing toilet fixtures, cleaning waste-pipe lines, repairing leaks in roofs, repairs to electric lights, fans, and bells, various kinds of masonry and carpentry jobbing, sidewalk and road making, etc. In fact, there is not a piece of work in or for a building and its premises that the bureau is not called upon to do.

The bureau has employed during the past year the following different classes of skilled labor: Blacksmiths, masons, carpenters, cabinet makers, glaziers, painters, decorators, sculptors and modelers, plumbers, pipe fitters, tinsmiths and roofers, telephone, bell, and electric-light men, seamstresses, divers, and steam engineers.

In addition to the work mentioned above, the office has prepared working drawings, specifications, and bills of material for the following buildings, which have been or will be constructed under the direction of various provinces, municipalities, or other bureaus:

A market and slaughterhouse for Lucena, Tayabas Province.

A municipal building at Bayombong, Nueva Vizcaya Province.

A jail for Ilocos Norte Province.

A jail for Lucena, Tayabas Province.

A provincial building for the Moro Province at Zamboanga, Mindanao.

School building for Bacolod, Negros Occidental.

School building for Romblón, Romblón.

School building for Lingayén, Pangasinán.

Girls' industrial school at Bua, Benguet.

School building for Tuguegarao, Cagayán.

School building for Ilagan, Isabela.

School building for Calapan, Mindoro.

School building for Silang, Cavite.

School building for Sorsogón, Sorsogón.

Manila Arts and Trades School.

Philippine Trade School, recitation and shop buildings.

Model high-school building.

Model science hall.

The two latter are to be used throughout the provinces where suitable.

The bureau has also prepared preliminary plans for a constabulary post at Vigan, embracing a barracks building, guardhouse, hospital, mess building, band barracks, provincial headquarters building, cottages for district officers, and corral.

The plans for the agricultural college at La Carlota, which were mentioned in the last annual report, were revised in order to bring the building within the appropriation. In order to make an estimate of the cost of this building, a representative of the bureau was sent to La Carlota to investigate conditions, secure data as to transportation, labor, and materials available. On his return to Manila, plans were prepared, and when they were forwarded for approval it was decided to leave the matter in abeyance for the time being. Appropriation for this building was turned into the treasury during the year.

At the request of the consulting engineer to the Commission the bureau prepared plans of the various kinds of railway stations that will be required on the proposed Iloilo, Cápiz, Batán Railroad.

Sketch plans and estimates of a hospital were prepared at the request of the committee on reorganization. The plan, as submitted, comprises four one-story pavilions; a combination women's and maternity ward, a general surgical ward, general medical ward, and a ward for native men and women; a two-story building to accommodate the administration offices, operating room, emergency ward, and male and female attendants' quarters, and a one-story kitchen and dining room extension. It would cost to construct such a hospital of native timber about ₱240,000.

Attached hereto is a list of the various jobs^a on which work has been performed during the year, and a detailed financial statement.

Very respectfully,

EDGAR K. BOURNE,
Chief of Bureau.

To the honorable, the SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

^a This list is on file in the War Department.

Appropriations and disbursements, fiscal year 1905.

BUREAU OF ARCHITECTURE AND CONSTRUCTION OF PUBLIC BUILDINGS.

Public works.	Balance, July 1, 1904.	Appropriated.	Disbursed.	General fund.	Balance.	
					Debit.	Credit.
Audiencia.....	P 2,232.27	P 1,321.00	P 3,497.23			P 56.04
Avuntamiento.....	6,888.43	17,740.00	21,015.93			3,612.50
Bureau of health, San Lázaro:						
Women's department.....	3,833.31		2,495.38			1,337.93
Electric wiring.....	777.94		158.64			619.30
Leper department.....	500.00		109.47			390.53
Roads, etc.....	2,411.10		216.50	P 2,194.60		
Stables.....	1,300.00	777.78	1,271.36			28.64
Septic tanks.....	6,288.03		5,686.71			
Wards, etc.....	50,000.00			50,000.00		
Cholera hospital.....	2,485.22		2,398.54			
Plumbing.....	3,000.00		2,893.76			
Crematory.....	625.65		300.51			325.14
Ventilation.....	735.50		718.15			
General repairs.....		8,100.00	7,158.73			941.27
Bureau of agriculture:						
Piping.....	352.00			352.00		
Storage building.....	78.76					78.76
General repairs.....	400.00		66.60			333.40
College, Occidental Negros.....	50,000.00			50,000.00		
Bureau of education:						
Exposition buildings.....	4,492.55		3,554.65			937.90
Science buildings.....		28,000.00				28,000.00
Training school.....		12,000.00				12,000.00
Cosmopolitan school.....		20,000.00				20,000.00
Normal school.....		5,500.00	5,500.00			
Bureau government laboratories:						
Serum institute.....	2,733.40		2,733.40			
Calle Iris.....	613.41		236.65			376.76
Calle Aliz.....	735.59		503.31			
Laboratory building.....	11,754.01		10,443.65	232.28		
Laboratory equipment.....	53,745.26	42,418.90	87,666.15	1,246.51		63.85
Laboratory fixtures.....	20,433.36		20,433.36	7,243.31		1,254.70
Serum laboratory.....	1,065.79	2,400.00	3,441.99			23.80
Serum laboratory and animal houses.....		30,874.04	25,047.43	5,274.04		552.57
Malacanan palace.....		24,312.00	10,566.71	10,670.00		3,075.29
Insular cold-storage and ice plant:						
Painting, etc.....	1,728.24		746.27	981.97		
Storage shed.....	2,840.79		.07	2,840.72		
Stables.....	3,244.45			3,244.45		
Painting roof, etc.....		2,700.00	74.25			2,625.75
Bureau insular treasury, vault, etc.....	6,960.11		2,750.75	3,009.36		1,200.00
Bureau public printing:						
Roof and general repairs.....	7,583.50	4,400.00	7,202.15			4,781.35
Warehouse, etc.....	77,000.00			77,000.00		
Civil hospital.....	2,853.30	1,000.00				3,853.30
Santa Potenciana Building.....	4,601.84		4,446.55			155.29
Bureau of coast guards and transportation:						
Warehouses.....	66,116.36	14,616.94	76,904.17	3,147.24		681.89
Repairs.....	1,000.00		190.67	809.33		
Watchman's building.....	600.00					600.00
Machine shop.....	420.52		348.53	71.99		
Water and electric mains.....	4,940.41		4,465.33	445.08		
Office.....	351.47		322.47			29.00
Awnings.....		80.00				80.00
Bureau of customs and immigration:						
Iron fence.....	26,000.00	25,193.49	24,298.18	26,000.00		895.31
Sidewalks.....	2,402.61		2,255.99			146.72
Signal mast.....	3,000.00			3,000.00		
Painting.....	7.10					7.10
Main building.....	2,602.64		2,089.34			513.30
Standpipes.....	3,000.00		1,851.24	1,148.76		
Electric lights.....	4,513.27		4,468.54	344.73		
General alterations and repairs.....	1,144.78	4,800.00	5,713.67			231.11
Bureau of the insular purchasing agent:						
Stables, etc.....	41,886.76	3,654.32	44,736.05	754.32		50.71
Coal sheds.....	28,000.00	7,728.90	29,034.58	5,928.90		765.42
Sidewalks.....	700.00			700.00		
Filling.....	1,700.00		1,445.00	255.00		
Bureau of prisons:						
Workshop.....	29,789.49	14,828.00	44,617.49			
Warehouse.....	8,068.94	825.02	7,569.88	825.02		499.06
Roof, workshop.....		1,625.00	1,423.02			201.98

*Appropriations and disbursements, fiscal year 1905—Continued.***BUREAU OF ARCHITECTURE AND CONSTRUCTION OF PUBLIC BUILDINGS—Cont'd.**

Public works.	Balance, July 1, 1904.	Appropriated.	Disbursed.	General fund.	Balance.	
					Debit.	Credit.
Bureau of architecture:						
Roof.....	P 1,324.05		P 1,136.60	P 187.45		
Shelving.....	455.12	P 200.00	604.24	16		P 50.72
Buildings, Baguio.....	17,101.61	88,880.77	54,618.16	34,220.77		17,143.45
Intendencia Building.....	8,000.00	11,064.00	9,425.08	8,290.91		1,348.01
Oriente Building.....	276.98	5,758.00	5,907.83			127.15
General alterations and repairs.....	3,814.59	31,000.00	44,207.34		P 9,392.75	
Custom-house, Balahac.....	659.81		605.89			53.92
Postigo Building.....		3,400.00	3,393.32			6.68
Cuartel Fortin:						
Post-office.....	17,217.79		17,038.57			179.22
Supply store.....	11,402.94		10,043.79			1,359.15
Electric connections.....	400.00		400.00			
Bureau of the Philippines constabulary:						
Santa Lucia Building.....		5,000.00	4,997.96			2.04
Office, etc., Baguio.....		20,000.00	3,019.86	16,052.07		928.07
Stable.....		4,000.00	1,281.25			2,718.75
Mint building.....		725.00				725.00
Quarantine station, Cebu.....		41,276.85	14,152.06			27,124.79
Total.....	621,491.05	486,200.01	655,930.85	319,139.62	9,392.75	142,013.34

* Outstanding bills against other bureaus cover this debit balance.

Disbursements, public works:	
Work done by bureau.....	P 445,724.96
Work done by contract.....	210,205.89
Total.....	655,930.85
Building supplies:	
Balance July 1, 1904.....	P 35,566.39
Furnished.....	274,643.08
	310,209.47
Disbursed.....	7,945.99
Insular purchasing agent's charges.....	242,753.07
	250,699.06
Balance.....	59,510.41
Bureau of agriculture:	
Balance July 1, 1904 (rice farm, Act No. 634).....	53.50
Refunded to treasury.....	53.50
Bureau of the Philippines constabulary:	
Clothing, camp, and garrison, 1904—	
Balance July 1, 1904.....	102.00
Refunded to treasury.....	102.00
Barracks and quarters, 1905—	
Warrant.....	7,500.00
Disbursed.....	6,236.98
Balance.....	1,263.02

RECAPITULATION.

	Credits.	Debits.	General fund.	Balance.
Salaries and wages.....	P 57,000.00	P 53,663.72		P 3,336.28
Contingent expenses.....	7,138.00	5,486.32		1,651.68
Public works.....	1,107,691.06	655,930.85	P 319,139.62	132,620.59
Building supplies.....	310,209.47	250,699.06		59,510.41
Bureau of agriculture.....	53.50		53.50	
Bureau of the Philippines constabulary.....	7,602.00	6,236.98	102.00	1,263.02
Total.....	1,489,694.03	972,016.93	319,295.12	198,381.98

EXHIBIT C.

REPORT OF THE PUBLIC PRINTER.

DEPARTMENT OF PUBLIC INSTRUCTION,
BUREAU OF PUBLIC PRINTING,
Manila, September 15, 1905.

SIR: I present the following report of the operations of this bureau for the period from July 1, 1904, to June 30, 1905, with certain additional statistics to date of report.

The total value of the product of the bureau for the fiscal year 1905 was \$359,322.615. A comparison of Table 1 with that submitted in the last annual report shows an increase in the value of the total product of \$75,408.775 for the year.

Excess value of product over all cost of operation is \$124,937.91, as compared with \$59,641.01 for the fiscal year 1904.

The total cost of operation for the fiscal year 1905 was \$204,535.445. Total collections for product for the fiscal year 1905, including provincial and municipal printing, sale of waste paper, and stock printing on hand, was \$82,869.275, which was deposited with the insular treasury as miscellaneous receipts. Deducting the receipts from the cost of operation leaves the total cost of printing for the insular government \$121,666.17. Allowing \$17,849.26 as deterioration on equipment and \$12,000 per annum for rent brings the total cost of printing for the insular government to \$151,515.43.

A further modification has been made in the scale of prices on which the product of this bureau is computed, amounting to a reduction of 20 per cent on the value of the total product.

During the year 13,889 requisitions have been completed, 6,376 of which were for provincial printing, 662 of which were for the city of Manila, and 630 for outside work.

This bureau continues to use the custom-house bodegas for storage purposes. The question of providing a substantial building for this bureau, where the supplies can be stored under the same roof, is one to be given consideration in the near future.

The personnel of this bureau is constantly changing and the force of American instructors has been materially decreased. The following table shows the changes in the personnel from July 1, 1904, to June 30, 1905:

Employees.	Appointments.			Separations.					
	Probationary.	Temporary.	Total.	Resigned.	Transferred.	Discharged.	Died.	Temporary employees.	Total.
Americans:									
Instructors from United States civil service	5		5	8		1			9
Clerks from United States civil service					1				1
Instructors from Philippine civil service	1	1	2	4	1			1	6
Clerks from Philippine civil service	1		1						
Copyholders from Philippine civil service	2	4	6	2		1		3	6
Watchmen from Philippine civil service	1	4	5		1	1		4	6
Filipinos:									
Clerks	3	2	5				1	1	2
Craftsmen				1		2		1	4
Junior craftsmen	21	10	31	1		11		7	19
Apprentices	20		20			15			15
Helpers	47		47			32			32
Messengers	9		9			6			6
Carretela drivers	11		11			8			8
Laborers	18		18			25			25
Japanese carpenters	5		5			2			2
Chinese carpenters	6		6			10			10
East Indians watchmen	2		2						
Total	152	21	173	16	3	114	1	17	151

The report of the superintendent of instruction is submitted:

MAY 2, 1905.

SIR: I have the honor to submit the following report on the instruction of the native employees of this bureau for the period from July 1, 1904, to May 1, 1905:

No better indication that progress has been made since the submission of the last annual report could be desired than the substantial decrease which has taken place during that period among the craftsmen instructors and which will continue up to July of this year, when several resignations will become effective. No reduction in the force of instructors is made until the public printer is convinced that the natives are able to perform their duties satisfactorily and with credit to the bureau. While every American employee of the mechanical divisions is under agreement to act as an instructor of native help, the greater number of those so classified at the present time would still be required to fill positions demanding executive ability, such as foremen and assistant foremen. These men, therefore, will be employees long after the time when the need of actual instructors will have passed. In the proof room, also, decrease of American help may not be expected until natives of exceptional ability can be secured who possess a very thorough knowledge of the English language. Good proof readers are few among American craftsmen, and it is no discredit to the native that he is not now qualified to assume such positions. Faithful attendance at night school and a determination to become proficient in the language are indications that some employees strive to prove themselves worthy.

Eliminating, then, those employees who are not mainly instructors, there are in the composing room only 3 Americans acting as instructors, 1 in the bindery (who has resigned, effective July 1, 1905), 1 in the photo-engraving room, 2 in the electrotype and stereotype divisions, and 4 in the press room. It is understood, of course, that these American instructors are actively engaged at their several crafts, and not employed wholly as teachers.

A full quota of apprentices, ranging from class 6 to class 2, is now employed, there being 61 on the rolls on this date. Of the many who apply to the civil service board for the apprentice examination a very large percentage express their preference for assignment to the composing room. In that division the rudimentary parts of the trade have been very quickly learned, and promises of thorough development were looked for earlier than in the other trades. This rapid progress has not been maintained. Still, commendable advancement is noted and compares favorably with regular apprenticeship progress in the United States. It should be borne in mind that an endeavor is being made to have the several branches of the trade covered in three years, the boys not being required to do helpers' or laborers' work. Not many apprentices in the United States are so fortunate. There, sweeping the floor, running errands, taking care of the fire, etc., are considered primary duties.

Absences of apprentices, from whatever cause, must be made up in each class before appointment is given to a higher class, thus insuring an actual three-year course. From the date of entrance into the second class apprentices are granted bonus under Act No. 650 which is an incentive to faithful attendance, no bonus being allowed unless a full day is worked.

Seven of the apprentices in the composing room have served the required period on typesetting, straight and tabular matter, and have been assigned to job work, 5 have nearly completed the tabular-matter period, while 4 are engaged on straight matter.

In the bindery 3 apprentices are engaged in finishing, 3 in forwarding blank books, 4 in forwarding printed books, 4 on ruling machines, and 2 on quarter-bound work, being rotated as they advance from class to class.

Three of the apprentices in the electrotype and stereotype division have completed the assignment as finishers and have served some time on molding, battery work, and casting; 2 have completed the latter course and are now finishing. Two have still some time to work at molding, etc., and 1 at finishing, before being given a different assignment.

Of the native boys in the photo-engraving room each has had more or less experience in every specialty; 3 have completed their terms on line photography, 4 on stripping, 5 on half-tone etching, 4 on line etching, all on routing, proving, and blocking, and 2 in finishing.

No assignment to special branches is possible in the power plant, the apprentices being given instruction in the machine shop or on the electrical equipment and repairs as contingencies demand.

During the latter part of the year 1904 instructions were issued to the press room that, whenever opportunity afforded, the apprentice boys should be allowed to take the form and execute all the work without the assistance of an instructor. The results augured so well that you issued positive instructions that on and after January 1, 1905, instructors should not give any further manual instruction, but should confine themselves to supervision and oral advice, except when absolutely necessary, and that fact to be noted on the make-ready slips. These slips show time consumed in putting to press and making ready, and the instructor's report as to the time that should have been consumed, how

long it would have taken if done by an instructor, the total time consumed on job, the number of sheets spoiled, and such other remarks as may be deemed proper. Each job is O. K.'ed by the instructor. These reports, attached to an O. K.'ed sheet and accompanied by a proof of the first impression, is daily forwarded to the office and inspected, such action taken as called for by the individual record, and then filed. This method is proving satisfactory and greater results will be accomplished.

During the year only one boy failed to receive the required rating in one grade to advance to the next higher. One boy had to be separated from the service because, after a fair trial, he showed lack of capacity.

Commencing with January 1, 1906, some apprentices will have completed the three-year period required by Act No. 650.

On May 1, 1905, the status of apprentices in the several divisions was as follows:

	Class 6.	Class 5.	Class 4.	Class 3.	Class 2.
Composing room.....	2	3	6	3	2
Bindery.....	2	2	4	6	2
Press room.....	1		2	8	2
Electrotype and stereotype room.....			3	4	1
Photo-engraving room.....		2			
Power plant.....		2			
Total.....	5	9	17	23	7

The following statement shows the appointments, separations, and promotions of apprentices for the period July 1, 1904, to April 30, 1905, inclusive:

Month.	Apprentices.	Promotions.				Separations.
		From class 6 to class 5.	From class 5 to class 4.	From class 4 to class 3.	From class 3 to class 2.	
July, 1904.....	5	2	1			
August, 1904.....	3	2	4			3
September, 1904.....	1	1	2	4		
October, 1904.....	2	4	3	2		2
November, 1904.....	2	3	1	1		3
December, 1904.....	2	1	1			
January, 1905.....	1	2		3	1	1
February, 1905.....	3		4	7		
March, 1905.....	2	2		9	2	2
April, 1905.....		1	4	3	3	
Total.....	19	18	20	29	6	11

* Names of apprentices and causes of separations: August, 1904, Ignacio Fatalla, quit; Cornelio Mamuyac and Antonio Marella, continued absence; October, 1904, José Lorenzo and Feliciano Gómez, quit; November, 1904, José Narvaez and Ambrosio Pablo, quit; Justo Gerónimo, discharged for violation of rules and making threats; January, 1905, Cipriano Corpuz, resigned; March, 1905, Felipe Tanjanque, disobeying orders; Simeón Cató, lack of capacity.

Very respectfully,

Mr. JOHN S. LEECH,
Public Printer.

EDWIN C. JONES,
Superintendent of Instruction.

The following tabular statements show in detail the work executed and cost of operation: Table A. Employees of the bureau of public printing, September 15, 1905.

Table 1. Statement showing cost of operating the plant during the fiscal year 1905, as compared with the product.

Table 2. Statement of appropriations and disbursements, July 1, 1904, to June 30, 1905.

Table 3. Sundry disbursements for contingent expenses for the fiscal year 1905, made by H. A. Lampman, disbursing officer, and Louis M. Lang, acting disbursing officer.

Table 4. Outstanding obligations, for contingent expenses, fiscal year 1905, to be paid by H. A. Lampman, disbursing officer.

Table 4a. Statement of account of fiscal year 1904.

Table 5. Equipment.

Table 6. Printing and binding executed and delivered during the fiscal year 1905.

In accordance with request contained in your letter of July 11, 1905, I have the honor to inform you that printing and binding was executed in July, 1905, to the value of \$16,692.50, and in August, 1905, \$21,972.80.

I desire to express my appreciation for the cooperation of the instructing force. As a whole, they have been diligent in their efforts, and it is largely due to them that the native employees have obtained their present degree of efficiency. The progress made during the year has been satisfactory.

Very respectfully,

JOHN S. LEECH,
Public Printer.

The SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

TABLE A.—Employees of the bureau of public printing, September 15, 1905.

Employees.	Departments.											Nationalities.				
	Office of public printer.	Warehouse, watchmen, and miscellaneous.	Proof room.	Composing room.	Bindery.	Foundry.	Photo-engraving.	Press room.	Power plant.	Laborers.	Total.	Perma- nent.		Temporary.		
												Americans.	American negroes.	Filipinos.	American negroes.	Filipinos. Chinese, Japanese, and East Indians.
Public printer, super- intendent of instruc- tion, and foreman of printing.....	3										3	3				3
Technical (entitled to overtime pay):																
Instructors.....	4	2	5	5	2	3	2	4	1		28	27			1	28
Copyholders.....			3								3	2			1	3
Craftsmen.....											20		20			20
Junior craftsmen.....		2	2	34	27	2	1	10	3		81		76		5	81
Apprentices.....				17	16	8	4	12	2		59		59			59
Helpers (1 Chinese)		3		5	15	3	4	16	6		52		51			1
Laborers.....										17	17		17			17
Clerical, etc. (not en- titled to overtime pay):																
Clerks.....	9	2									11	4		4		3
In charge of labor- ers.....											1	1				1
Watchmen (two East Indians).....											5	2	1			2
Messengers.....	5	1	1	1				1			9			9		9
Carreta drivers.....		6									6			6		6
Carpenters.....										2	2					2
Total.....	21	22	11	62	80	16	11	43	12	19	297	39	1	242	1	8

TABLE 1.—Statement showing cost of operating the plant during the fiscal year 1905, as compared with the product.

[United States currency.]

CREDITS.

Printing and binding for civil government authorized by:	
Governor-general (Requisitions A).....	\$44,825.00
Secretary of the interior (Requisitions B).....	62,501.75
Secretary of commerce and police (Requisitions C).....	50,058.65
Secretary of finance and justice (Requisitions D).....	87,872.10
Secretary of public instruction (Requisitions E).....	25,881.10
Printing and binding for bureau of public printing (section 9, Act No. 296).....	3,304.25
Obsolete forms destroyed by authority of insular auditor.....	2,010.49
	<hr/> \$276,453.34

Printing and binding authorized by the governor-general for:	
City of Manila.....	\$11,956.55
Provincial governments.....	62,685.98
Outside parties (other than the government).....	7,099.15
Stock printing on hand June 30, 1905.....	\$19,940.70
Less stock printing on hand July 1, 1904.....	19,264.07
	676.63
Miscellaneous receipts, other than printing and binding (waste paper, boxes, etc.).....	450.965
Total.....	359,322.615

DEBITS.

Salaries and wages, including outstanding obligation.....	\$134,869.70
Printing paper expended (Table No. 5).....	\$49,409.06
Supplies other than printing paper expended (Table No. 5).....	17,841.48
	67,250.54
Miscellaneous expenditures, including outstanding obligations (Tables Nos. 3 and 4).....	2,415.205
	204,535.445
Excess product.....	154,787.17
Equipment June 30, 1903.....	\$141,506.63
Less 10 per cent for deterioration.....	14,150.66
	127,355.97
Paid for during fiscal year 1904.....	41,321.38
	168,677.35
Less 10 per cent for deterioration.....	16,867.73
	151,809.62
Paid for during fiscal year 1905.....	26,683.03
Total equipment June 30, 1905.....	178,492.65
Less 10 per cent for deterioration.....	17,849.26
Allowance for rent.....	12,000.00
	29,849.26
Total excess over all.....	124,937.91
Property condemned and dropped fiscal year 1904.....	308.22
Property condemned and dropped fiscal year 1905.....	545.37
Total.....	853.59
* Equipment received during 1905, paid out of 1904 funds.....	\$20,786.98
Equipment received during 1905, paid out of 1905 funds.....	3,480.03
Paid by H. A. Lampman for subscription to the Inland Printer and the Printing Art.....	11.32
	24,268.33
10 per cent paid to insular purchasing agent.....	2,424.70
Total.....	26,693.03

TABLE 2.—*Statement of appropriations and disbursements for the bureau of public printing, July 1, 1904, to June 30, 1905.*

[United States currency.]

	Appropriation, Act No. 1225.	Disbursements.	Balance.	Outstanding obligations.
Salaries and wages:				
Designated classes.....	\$92,000.00	\$81,790.985	\$10,209.015	\$32.16
Craftsmen, junior craftsmen, etc.....	42,500.00	40,445.215	2,054.785	8.365
Apprentices.....	7,500.00	6,499.535	1,000.465	
Overtime and contingent.....	7,500.00	6,093.44	1,406.56	
Refund of H. A. Lampman (overpayment and fines).....	a 3.695		a 3.695	
Total salaries and wages.....	149,503.695	134,829.175	14,674.52	40.525
Contingent expenses.....	44,467.50	{ b 2,356.035 c 28,705.40 }	13,337.70	{ d 70.49 e 13,158.60 }
Total.....	193,971.195	165,890.61	28,012.22	13,269.615

a Refund to craftsmen, junior craftsmen, etc.

b Disbursements by H. A. Lampman and Louis M. Lang (Table 3).

c Disbursements by auditor for purchases from insular purchasing agent (Table 5).

d To be paid by H. A. Lampman (Table 4).

e To be paid by auditor for purchases from insular purchasing agent (Table 5).

TABLE 3.—*Sundry disbursements for contingent expenses for the fiscal year 1905, made by H. A. Lampman, disbursing officer, and Louis M. Lang, acting disbursing officer.*

[United States currency.]

Insular Cold Storage and Ice Plant:	
Ice and water.....	\$325.925
Electric current.....	963.99
Horseshoeing.....	17.00
D. M. Salva, horseshoeing.....	50.00
Eastern Extension Australasia and China Telegraph Company, telegram.....	.85
Bureau of coast guard and transportation, 8 castings for various presses.....	41.47
Bureau of Prisons:	
Bilibid prison—	
Laundry.....	182.12
Labor on stacking tables.....	64.405
Repairing delivery wagon, carromata, and carretela.....	146.375
Pickett & Roberts, harness repairs.....	7.25
Edwin C. Jones, refund of one-third of 1 per cent on bond while acting as public printer.....	52.08
Insular purchasing agent, horseshoeing.....	3.98
City of Manila, carromata hire.....	3.515
Ramón Montes, 12,000 lithographs.....	397.50
Homer L. Knight, eggs for photo-engraving.....	21.255
Inland Printer Company, 1 bound volume and one and three-twelfths years' subscription.....	a 6.25
S. D. Martínez, repairing and painting 5 awnings.....	60.00
Heacock & Freer, repairing 1 watchman's clock and 1 time stamp clock.....	7.00
University Press, one year's subscription.....	a 5.07
Total.....	2,356.035

TABLE 4.—*Outstanding obligations for contingent expenses, fiscal year 1905, to be paid by H. A. Lampman, disbursing officer.*

[United States currency.]

Bureau of prisons:	
Bilibid Prison—	
Repairing delivery wagon.....	\$48.625
Laundry.....	19.74
Curtains for wagon.....	2.125
Total.....	70.49

a Equipment.

TABLE 4a.—*Statement of account of fiscal year 1904.*

[United States currency.]

	Salaries and wages.	Contingent expenses.
RESOURCES.		
Balance on books of insular auditor July 1, 1904.....	\$9,596.25	\$32,269.59
Refund by Louis M. Lang, acting disbursing officer.....	173.81	61.34
	9,770.06	32,330.93
DISBURSEMENTS.		
Paid by auditor for purchases from insular purchasing agent (Table 5).....		29,606.63
Payments made by Louis M. Lang, acting disbursing officer:		
Insular Cold Storage and Ice Plant, electric current for August, 1903.....		16.00
Mrs. Margaret Hugo, salary.....	10.00	
Owen Duffy, salary.....	15.17	
Payments made by H. A. Lampman, disbursing officer:		
American Stables, for repairs on wagon.....		7.50
John S. Leech, salary.....	266.665	
Antonio Marella, salary.....	1.285	
Balance July 1, 1905.....	9,476.94	2,700.80

NOTE.—A large number of other tables, showing stock and material on hand and the amount of work done for the different departments of the insular government, accompany this report and are on file in the War Department, where they may be consulted.

EXHIBIT D.

REPORT BUREAU OF ARCHIVES, PATENTS, COPYRIGHTS, ETC.

[Translation.]

DEPARTMENT OF PUBLIC INSTRUCTION,
BUREAU OF ARCHIVES,
Manila, August 15, 1905.

SIR: The transfer of the notarial records to the bureau of archives increased the work of this bureau to such an extent that it became necessary to interrupt the task of arranging and classifying documents in order to attend to the work of dispatching the numerous copies of documents from said records daily requested by private parties desiring to use said copies in civil actions in the courts of justice. Upon the establishment of the cattle-registration act the undersigned found it necessary to require his office force to work full hours during the heated term, a few days after the short working hours had commenced, and even to increase the six and one-half hours required prior to the heated term to seven hours per diem, which time is still in force in this bureau, in order to conciliate in some manner the increased work of the same with its scant personnel, considering that since the establishment of this bureau no additional employees have been appointed, notwithstanding the transfer of records and the new legislation of which I have spoken and which necessarily caused an increase of the work devolving upon this bureau.

The bureau of archives is in charge of the files of the documents appertaining to the late Spanish Government of these islands, the notarial records, the general register of cattle brands, and the register of patents, copyrights, and trade-marks.

REGISTER OF CATTLE BRANDS.

The new service created by the cattle-registration act, entrusting this bureau with the general register of the cattle brands and requiring it to keep on file the copies of said brands sent to it by the municipal treasurers, represents a laborious task which the committee on economy was able to appreciate itself on occasion of its visit of inspection to this bureau, for which reason the Hon. Frank W. Carpenter, assistant executive secretary, one of the members of that committee, directed four employees of the executive bureau to assist for some time in the registration of those brands, which are estimated to number some 250,000, according to the data on file in this bureau appertaining to the Spanish Government.

Upon the passage of the cattle-registration act, on the 3d of May of last year, this bureau prepared the models for the various blank books to be printed for the use of the municipal treasurers in the registration of the brands of the cattle destined to be used as work animals or to be slaughtered for public consumption; likewise models for the register books to be kept by the provincial treasurers and others for the general register to be kept by this bureau.

These books having been prepared, printed, and distributed, registers were started in all the treasurers' offices and the general register in this bureau. The principal work in this bureau does not consist in the registration of the brands itself, but in the minute examination of the copies of the brands prior to their registration and in their return to the municipalities where they originated, as will be seen further ahead by the number of letters sent to the same, in view of the fact that the majority of these documents are received deficient and do not state the age, civil status, and occupation of the owners, which details are required to appear on the records by section 2 of the cattle-registration act.

With a view to avoiding this great task and facilitating the work, this bureau saw fit to issue a circular under date of September 13, 1904, giving the necessary instructions to the municipal treasurers, but these apparently failed to understand it, and the deficiencies continued to such an extent that the undersigned found it necessary to furnish them with printed blanks whereon to place the copy of the brand and the information required by the law for transmittal to this bureau. It is hoped that the result will be the complete disappearance of those deficiencies.

However, this is not all the work caused by the establishment of the cattle-registration act. The frequent inquiries on part of the provincial and municipal treasurers as to the interpretation of some provisions of that act take up a good deal of precious time, and the undersigned deemed it advisable to send out another circular on March 14, 1905, explaining

the spirit of section 12 of that act, which treats of the registration of cattle branded and registered prior to the passage of the same.

It is to be hoped, in view of the concrete instructions given by this bureau, that this service will run more smoothly in the future.

From the establishment of that act until June 30 of the current year this bureau has received 26,249 copies of brands from 290 municipalities and returned 4,868, with 351 official letters, indicating the manner in which the same should be amended in accordance with the requirements of the law. Of these, 527 have been returned by the municipalities duly corrected. The number of brands registered is 11,236.

Four hundred and thirteen municipalities have not yet sent in their brands and the brands of the private citizens resident within their jurisdictional limits.

COPIES OF DOCUMENTS.

The number of copies dispatched by this bureau is increasing. It appears from the report for the year 1903 that 336 copies were made that year; the report for 1904 gives the number of copies dispatched as 580, and from July 1, 1904, until June 30, 1905, 623 copies have been made, 92 of these having been requested by officials and authorities and furnished gratuitously, and 531 having been issued to private parties, with 3,297 pages legal-size paper and 894,694 words, producing an income to the treasury of \$447.50. Adding to this the sum of \$366.25 received for searching fees and \$133.50 received for certificates, we have a total of receipts of \$947.25, or ₱1,894.50.

The above-mentioned sum of \$447.50 does not correspond to the importance of the work involved, and I therefore consider it advisable that the fee charged be increased from its present rate, 5 cents gold for one hundred words, to that of 50 cents gold for each page of legal-size paper. On this basis the 531 copies with 3,297 pages would have made the receipts \$1,648.50, or ₱3,297, instead of the above-mentioned \$447.50, or ₱985.

I must further state that, by superior authority and by request of the courts of first instance of Iloilo, Tayabas (Lucena), Cebú, and Benguet, five original testaments were forwarded to the same after being removed from the record books, for the taking of evidence and the legalization of said testaments.

In this connection I can not but invite attention to the danger of these documents being lost, and especially to the damage caused to the record books by the removal of these documents. Besides, if this practice is continued, the record books will cease to be such from the moment that they are unbound and the documents of which they are made up disconnected. Aside from this consideration there is one still more serious: This practice would make it much easier to abstract documents and commit other abuses which it is impossible to foresee at this time, but which can not remain concealed from the penetration of the Commission. It is doubtless in prevision of such cases that the former notarial law, implanted by royal order on February 15, 1889, provides in article 17 for the creation of these record books and strictly prohibits, in article 32, that the same be removed from the building where they are kept, except in cases of force majeure, providing, further, that no document shall be removed from the record books unless there are sufficient indications or reasons for considering it a *corpus delicti*.

In view of these reasons, the undersigned deems it advisable that an act be passed by the Commission, if possible, providing a method whereby judges will be enabled to perform their mission without the necessity of removing the records and documents from this bureau, except under the circumstances above mentioned, thus conciliating the interests of the service with the security of the preservation of these documents.

After careful labors a general index has been compiled of the testaments made before Don Enrique Barrera y Caldes, the notary of this city, and before the notaries of the provinces of Albay and Cebú, and at the present writing the testaments appertaining to the other notaries are being arranged for indexing, in order to facilitate the search for these documents, as the absence of these indices makes it very difficult to find these documents when the persons who apply for copies do not know the date of the original, which often occurs.

By virtue of executive order No. 3, of January 19, 1905, 19 record books have been received from notaries in several provinces who have ceased to discharge the duties of said office.

INFORMATION FURNISHED TO OFFICIALS AND AUTHORITIES.

From July 1, 1904, until June 30, 1905, this bureau has furnished the information set forth at the end of this report, covering various subjects.

REGISTER OF PATENTS, COPYRIGHTS, AND TRADE-MARKS.

During the fiscal year covered by this report 134 certificates of trade-marks were issued and ₱6,700 received therefor; 23 copies of records were furnished and ₱32.84 received

as fees; 15 certificates of copyrights were issued and ₱15 received therefor; 67 certificates of patents issued in the United States were received and ₱134 received for the same, and, finally, ₱142 were collected for fees for patents issued in times of the Spanish Government to Mr. C. Gsell, making a total of receipts from the sources above specified of ₱7,023.84.

I beg to call your attention to a telegram from the Secretary of War, in Washington, dated April 19, 1904, according to which the act of March 3, 1903, amending section 4902 of the Revised Statutes of the United States, relative to new inventions, is applicable to residents of the Philippine Islands, and section 4886 of said statutes is likewise applicable to all persons and equally comprehensive.

The section last named treats of the manner in which patents for inventions may be obtained, and section 4902 provides that any person who makes any new invention or discovery and desires further time to mature the same, may, on payment of the fees required by law, file in the Patent Office a caveat setting forth the design thereof, and of its distinguishing characteristics, and praying protection of his right until he shall have matured his invention. Such caveat shall be filed in the confidential archives of the office and preserved in secrecy, and shall be operative for the term of one year from the filing thereof; and if application is made within the year by any other person for a patent with which such caveat would in any manner interfere, the Commissioner shall deposit the description, specification, drawings, and model of such application in like manner in the confidential archives of the office, and give notice thereof, by mail, to the person by whom the caveat was filed. If such person desires to avail himself of his caveat, he shall file his description, specifications, drawings, and model within three months from the time of placing the notice in the post-office in Washington, with the usual time required for transmitting it to the caveator added thereto, which time shall be indorsed on the notice.

The undersigned is of the opinion that, in view of the fact that according to this telegram sections 4886 and 4902 are applicable to residents of the Philippine Islands, it would be to the best interest of the public service if this bureau were authorized to receive applications for caveats, for transmittal to Washington, and considering that the protection desired must be furnished by the Patent Office in Washington, that a fee of \$10 be collected and remitted to Washington, together with the original application and the documents annexed to it. The duplicates should be retained in this office, which would issue receipts for the same. The fee charged for the filing of each duplicate should be \$1, the same as that fixed by Circular No. 21 of the War Department, of the 1st of June, 1899, for the filing of copies of patents, trade-marks, etc. To this should be added the expense of remitting the money to Washington. All the correspondence between the Patent Office in Washington and the applicants receiving copies here should pass through this bureau for recording the action taken in each case.

It is further suggested that applications for patents be also filed in this bureau, in duplicate, for transmittal to Washington together with the prescribed fee. The duplicates should be placed on file here, and the certificates should be issued and charged for in the same manner as the caveats.

CLASSIFICATION AND ARRANGEMENT OF DOCUMENTS.

At the beginning of this report I stated that on account of the transfer of the notarial records to these archives it became necessary to suspend the work of arranging and classifying documents, nearly the entire personnel being engaged in making the numerous copies daily applied for by private parties as well as officials and authorities. This does not mean, however, that the work of which I am speaking now has been suspended altogether. It is only suspended when there is real need for this—that is, when there is such a large number of copies to be attended to that it becomes necessary to dispatch them rapidly in view of the urgency with which they are demanded. Therefore, notwithstanding this work and that caused by the establishment of the cattle registration act, which latter had to be given the same preference because of its nature and importance, it has been possible, especially by working full hours during the heated term and by increasing the office hours, to classify and arrange in bundles 1,830 expedientes of the departments of gobernación and fomento, relative to public works, public instruction, hygiene, and municipalities.

In order to give better attention to the preservation of the useful and important documents, additional room has been secured and a selection has been made of documents rendered useless by the white ant or lacking importance, which will be burned, in accordance with the provisions of executive order No. 17, of the 27th of May, 1905. This work of selection is still going on, the number of bundles selected so far being 3,234.

INDEXING.

The work of making a chronologic index of the royal cédulas and royal orders up to the year 1763 is still going on.

An alphabetical index has been made of all the titles and instruments of sale of Crown lands by the state, and another of matters appertaining to the health department,

In conclusion, I must comply with a duty of justice and mention the constancy, zeal, and self-denial of all the employees of this bureau, who have not been discouraged in the least by being required to work full hours during the heated term and by having their office hours increased, but who have done their best to perform their respective duties with laudable zeal and diligence.

Respectfully submitted.

M. DE IRIARTE,

Chief of the Bureau of Archives, Patents, Copyrights, and Trade-marks.

The SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

INFORMATION FURNISHED TO OFFICIALS AND AUTHORITIES.

1. To the court of customs appeals, report and copies of royal orders of December 29, 1888, and June 29, 1877, and copy of the royal decree of the provisional government of October 28, 1868.

2. To the secretary of public instruction, information re petition of Pedro Codela, Barcelona, asking for permission to establish the manufacture of fine playing cards.

3. To division superintendent of schools of Rizal, information requested by same re land previously occupied by boys' school at Parañaque and guardia civil barracks at Las Piñas.

4. To executive secretary, information re resolution of municipal council of San Francisco de Malabón, province of Cavite, requesting restoration of schoolhouse occupied by army since 1900.

5. To secretary of public instruction, information re ownership of building in the district of Morong (province of Rizal), formerly occupied by military commandant of said district, in connection with request of division superintendent of schools of Rizal.

6. To secretary of public instruction, reporting that white ants are damaging the archives and suggesting changes necessary.

7. To secretary of public instruction, forwarding books and papers left in this bureau by the late José Clemente Zulueta.

8. To the treasurer of the Philippine Islands, information re registration requested by Antonio Gabira, municipal treasurer of Mauban, province of Tayabas.

9. To the treasurer of the Philippine Islands, information requested by treasurer of province of Abra, Bangued, as to whether holder of certificate issued under subdivision "d," section 43, of Act No. 82, covering several heads of cattle, is entitled to registration free of charge under section 12 of Act No. 1147.

10. To the treasurer of the Philippine Islands, information requested by provincial treasurer of Mindoro, Calapán, re interpretation of second paragraph of section 32 of Act No. 1147.

11. To secretary of public instruction, information requested by provincial treasurer of Bulacán, Malolos, whether size of brand can exceed that of copy filed in accordance with Act No. 1147 (15 by 20 centimeters), cattle owners wishing to continue using old brands, which are larger.

12. To municipal board of Manila, report and copy of map of the town of Mariquina, with draft of new map and description.

13. To governor of Moro Province, report and copies re property in Joló.

14. To treasurer of Philippine Islands, information requested by provincial treasurer of Surigao, Mindanao, as to registration of slaughter permits.

15. To secretary of public instruction, information requested by auditor of Insular Lumber Company as to whether there exists in these archives any Spanish concession conflicting with franchise of Insular Lumber Company for cutting of timber in Negros Occidental.

16. To chief of bureau of public lands, report and copy of proposed constitution and by-laws of the Canga-Argüelles Colonization Company of the island of Paragua.

17. To the chief of the forestry bureau, information in connection with request for examination of records of the Inspección General de Montes and protest against registration of private timber land by José Peralta, filed by M. Guanzon.

18. To the treasurer of the Philippine Islands, information requested by provincial treasurer of Negros Occidental, Bacolod, as to whether owners of large cattle must register same in each municipality where they cultivate land.

19. To the treasurer of the Philippine Islands, information requested by H. B. Fernald, acting provincial treasurer of La Unión, San Fernando, re branding and registration of cattle.

20. To attorney-general, information requested by same as to the time when Don Alberto Alas was notary public, and as to whether his notarial records are in existence.

21. To the chief of the bureau of public lands, information requested by chief supply officer of Philippines Constabulary, as to whether the insular government is owner of any land in or about the towns of Iloilo, Cabanatuan, or Santa Bárbara, Iloilo, suitable for establishment of headquarters of constabulary of province.

22. To the treasurer of the Philippine Islands, information requested by McFarland, supervisor-treasurer of Abra, Bangued, as to court referred to in section 34 of Act No. 1147.

23. To general superintendent of education, information about area and character of the "terrenos comunales" of the town of Montalbán.

24. To the treasurer of the Philippine Islands, information in reply to following inquiries of provincial treasurer of Tayabas: (1) Are owners of large cattle required to bring their animals to the municipal building for branding and registration under Act No. 1147? (2) If by special arrangement with owners, for their convenience, animals are branded at a distance from the municipal building, can the said owners be required to defray all expenses connected therewith?

25. To the attorney-general, information about permit for opening channel solicited by Hermenegildo Rosales, of Calbayog, from the military governor in 1890.

26. To the treasurer of the Philippine Islands, information requested by Lieut. W. O. Smith, subtreasurer of Mindoro, Calapán, as to whether owner of one carabao must register brand under section 2 of Act No. 1147.

27. To the treasurer of the Philippine Islands, information requested re use of municipal forms 31 and 37 by I. W. E. Pearson, provincial supervisor of Cagayán, Tuguegarao.

28. To the treasurer of the Philippine Islands, information requested by municipal treasurer of Polo, Bulacán, as to whether owners of large cattle registered by him must at the same time register individual brands.

29. To secretary of public instruction, information requested by Joaquín Pérez, zone commander, Reuz (Spain), as to whether there appear on records of intendencia any charges or credits against Capt. Francisco A. Izuardo.

30. To acting auditor, report and copies of royal order of May 12, 1888, communicating royal decree for approval of conditions under which franchise for establishment of telephone lines must be granted, and of royal decree of May 16, 1890, amending several articles of said royal order.

31. To treasurer of Philippine Islands, information re telegram of deputy treasurer at Mulanay (Tayabas), reporting that Ramón Pimentel of Daet shipped 15 head of cattle from San Andrés without certificates of ownership required by Act No. 1147.

32. To treasurer of Philippine Islands, information requested by provincial treasurer of Surigao re status of owners of nonregistered cattle who hold receipt for 20-centavo fee paid for registration and now desire to pay balance on old amount of fee (50 centavos) and secure registration.

33. To supervisor, Rizal Province, information about ownership of tract of land in front of government building, Morong.

34. To same, report and copy of map of road from Las Piñas to Muntinlupa and of description of same.

35. To J. G. White & Co., report and copy of blueprint of proposed railroad line from Manila to Batangas.

36. To executive secretary, information re request of secretary of Philippine Historical Association that president of said association be appointed member of committee created by executive order No. 17, of May 27, for the purpose of determining which documents in the archives should be kept and which destroyed.

37. To executive secretary, information as to ownership of the buildings known as "Tribunal de Naturales" and "Tribunal de Mestizos" in the province of Rizal.

38. To secretary of public instruction, information re ownership of school building at Bacolor, province of Pampanga.

39. To same, information re ownership of wharf located at San Pascual, Burias.

40. To general superintendent of education, information re ownership of boys' school building at Solano, province of Nueva Vizcaya.

41. To executive secretary, information re old "Tercio Civil" barracks, Mindanao.

42. To general superintendent of education, information re area of land considered as "legua comunal" of village of San Mateo.

43. To general superintendent of education, information re construction of building known as "Tribunal de Naturales de Pasig."

44. To same, information as to manner in which the square of Cuyapó, Nueva Écija, was designated as public land.

45. Circular addressed to the provincial treasurers explaining several sections of Act No. 1147 re registration and branding of cattle.

46. To secretary of public instruction, information re 16 designs for branding irons to be used by pueblos of province of Benguet, sent by acting provincial governor,

EXHIBIT E.

REPORT OF THE ACTING LIBRARIAN OF THE AMERICAN CIRCULATING LIBRARY.

MANILA, August 15, 1905.

SIR: I have the honor to submit the first annual report of the librarian of the American Circulating Library of Manila for the fiscal year ending June 30, 1905. Historically the report covers a longer period, beginning with the removal of the library from Calle Rosario to the Oriente Building.

REMOVAL TO ORIENTE BUILDING.

May 6, 1904, Miss Bessie A. Dwyer, of the forestry bureau, was officially placed in charge of the library through the authorization of the honorable the secretary of the interior. The librarian was in Japan on leave, and the assistant was incapacitated through illness.

Just at this time came the order to move the library to the Oriente Building. With the removal came the necessity for an entire change in the former systems of circulation and classification. The arrangement of shelving the memorial libraries—10 in number—had to be changed to meet the growth of the library, these libraries being no longer kept intact, but broken up and the books placed under their general class headings. To do this involved the handling many times of practically every book in the library. The memorial feature is still maintained, each book being distinguished by its memorial plate or stamp.

The books were moved on large trucks, 50 empty boxes being furnished by the insular purchasing agent in which to move them. The boxes were packed and carefully marked. In no instance did any confusion occur. The library was closed for two weeks, but during this time little could be done with the books. The shelving had not been completed nor the electric lights installed. The noise, dust, and confusion were terrific. Much of the time Miss Dwyer worked alone, with no other assistance than that of two messengers. The fact that she worked seventy-nine hours overtime in the two months which she spent in the library's service tells its own story. The manual labor, not to mention the responsibility, was probably the heaviest ever required of an American woman in the Orient.

The difficulties attending the change were greatly lessened by the support given by Captain Ahern. His advice and personal effort in any direction that would forward the interests of the library could always be relied upon. His interest has not waned, and the entire board of trustees has greatly encouraged the library staff by its support of the working plans made throughout the year.

CHANGE OF STAFF.

Some changes in the staff of the library have been made during the present year, the growth of the library being such as to demand something more than a mere charging and discharging of books.

Mrs. Emma O. Elmer was appointed assistant librarian June 13, 1904, succeeding Mr. Boyd, whose continued ill health caused his resignation in May. Through the delay of the Insular Bureau at Washington in sending an assistant from America specially qualified to catalogue the library, this place was vacant from September 30 to October 27, when Mrs. Elmer was appointed temporarily to that position, where she remained until January 14, 1905, when the assistant and cataloguer, Miss Syrena McKee, arrived from the United States and entered upon her duties the next day.

The librarian, Mrs. Nellie Young Egbert, having obtained an eight months' leave of absence, left for a visit home on March 15, and the same day Mrs. Elmer reentered the library as acting librarian.

May 1 Benito Abiad, a messenger, resigned, and his place was supplied by Salvador Donado, who, being able to speak English, is an addition to the service, and in learning

the location of the books on the shelves he is making his services more valuable daily. He was a former employee of the library, having left on account of illness.

It is with sorrow that we record the death of Mr. Boyd, which occurred a few days before the date set for his sailing for the home land.

BOOKS IN THE LIBRARY.

The last property return cites the number of volumes as 22,105. This number is probably an approximate one. Many books have been received during the last year by purchase and by gift. It has not always been possible to acknowledge gifts of books, as they were frequently unaccompanied by donor's name, nor was any communication received concerning them.

Mrs. Mary Rath-Merrill, of the Ohio Chapter of the Daughters of the Revolution, notified the library that a valuable lot of reference books were shipped to the library in March. This chapter has at present \$400 available for the purchase of books, and a carefully selected list of needed reference and other books has been sent to them at the request of Mrs. Rath-Merrill, through Secretary Taft. The Ohio Daughters of the Revolution and other memorial associations have been of great assistance in building up several sections in the library by sending books suggested by the library staff.

When in the United States in January 1905, Captain Ahern purchased some twelve hundred books or more, among which are some excellent reference books and law books, selected from a list prepared by Miss Bessie A. Dwyer.

That the interest of the women of America is still as keen as of old is evidenced by the large number of boxes and barrels of reading matter which has been received this year, much of which has been distributed among the soldiers.

CARE OF BOOKS.

The work of varnishing the books on the shelves as a protection against insects and mold was begun in June, 1905, and continued until the supply of varnish was exhausted. The work will go on as soon as more varnish is supplied. Every precaution is taken to protect the books from their natural enemies, mold, dust, insects, etc. The formula for the varnish used was obtained from the librarian at the government laboratories.

PAPERS AND MAGAZINES.

Up to the present all periodicals received have been presented to the library. No permanent record was made of these subscriptions or their donors. Hence more or less confusion exists. Many numbers are missing and entire subscriptions are lost through inability to keep in touch with those whose interest in the library prompted them to present these subscriptions. In May, 1905, United States and oriental magazines and weeklies were subscribed for. These should be on the racks not later than September. The list is small and should be increased, as there is dissatisfaction among readers about the irregularity and uncertainty of the supply of periodicals.

An effort was made to file the New York Sun, San Francisco Chronicle, and all local papers. In October when there was no assistant librarian the work was entirely in the hands of native employees, and much of the labor of previous months was rendered valueless through loss of numbers and complete monthly files. Again in February and March a similar loss occurred. Later in the year through the personal supervision of the acting librarian the files were built up as completely as possible. Captain Ahern secured some files and partial files of valuable Spanish newspapers, and these with the files of magazines and local newspapers are now being bound. Besides the newspapers and magazines in the reading room thousands of periodicals are dispatched as soon as received to the soldiers at the military posts throughout the islands.

The reading room is well patronized—often to its utmost capacity. Many Americans avail themselves of its privileges, and the Filipinos use it to a great extent. A large number of Filipino students make a daily practice of coming to the library to read and study. Below is a list of the periodicals now received with any degree of regularity, and of the bound newspapers.

Periodicals.

Adelanto.
 Ainalie's Magazine.
 Arena.
 Argosy.
 Army and Navy Journal.
 Atlanta Constitution.
 Baker's Helper.
 Century Magazine.
 Collier's Weekly.
 Cosmopolitan.
 Current Literature.
 Daily Bulletin.
 Democracia.
 Dunn's Review.
 Electrical Review.
 Far Eastern Review.
 Forum.
 Harper's Magazine.
 Hide and Leather Journal.
 Historia de Filipinas.
 Leslie's Magazine.
 Literary Digest.
 Los Angeles Sunday Times.

McClure's Magazine.
 Manila Cable News.
 Manila Times.
 Metal Industry.
 Munsey.
 New York Herald—Paris edition.
 New York Sun.
 New York World.
 Official Gazette.
 Outlook.
 Rosenstock's Directory.
 St. Louis Globe-Democrat.
 San Francisco Bulletin.
 San Francisco Chronicle.
 San Francisco Examiner.
 Saturday Evening Post.
 Scientific American.
 Scribner's Magazine.
 Shoe Trade Journal.
 Success.
 Sunday Sun.
 Washington Post.
 World's Work.

Bound newspapers.

Gaceta de Manila, 1868 to 1899, inclusive.
 Oceania Española, 1877 to 1899, inclusive.
 Progreso (continuation of Oceania Española), 1899 to 1903, inclusive.
 Freedom, October 15, 1898, to November 6, 1900, inclusive; May 19, 1903, to August 29, 1903, inclusive.
 Manila Times, March to May, 1900, inclusive; June to December, 1901, inclusive.

TRAVELING LIBRARIES.

On March 15, 1905, there were a few more than twelve thousand volumes on the shelves. The remainder are in the storeroom awaiting such disposition as may be made of them. Many of these books are obsolete, worn out, or worthless—of no further use to the library. Others are good books in good condition, but are duplicated in the library. This latter class has been used in traveling libraries of 300 volumes each. Five such libraries are now in circulation. There are no stationary branch libraries in any other city of the islands at the present time. More requests have come for traveling libraries than can be complied with.

Requests have also come from various sources for a gift of such books and magazines as are not being used in the library. These have come from Bilibid prison, the leper colony at Culión, the Y. M. C. A., etc. All of these requests could be complied with to decided advantage in relieving the congested condition of the storeroom while carrying out the original intention and expectation of those who sent these books to the islands. Such a disposition of these books would enable the employees to devote their time and energy to more effective work.

If all of the books which are now fit for traveling libraries are reserved for that purpose until such libraries can be made up from them, many will lose their fitness through the effects of climate and insects.

Besides books in the storeroom there are a large number of magazines and newspapers. Up to the present reading matter has been sent, with one exception, to soldiers only. As the number of military posts lessens some arrangement should be planned to place this reading matter with civilians in the provinces to whom it would be equally welcome and profitable. There is no decrease in the reading matter sent to the library for distribution, and there are Americans—many of them ex-soldiers—stationed alone in small barrios to whom a supply of reading matter would be a godsend.

Heretofore all books have been included in the total given in the property return. This has greatly complicated the disposal of stored books, as it is impossible to send out these books except as traveling libraries. Act No. 96 provides that "such books and magazines as can be spared shall be sent as promptly as possible to outlying districts of the archipelago." This has been done with magazines and no further account taken of them—responsibility ending with their shipment. Many books received should never be entered on property

returns, for they can not be used in the stack room nor in traveling libraries. Such books should be sent to the provinces at once, and the responsibility end with their shipment. Act No. 96 gives this authority, which has not been used in so far as it relates to books.

Books already accounted for should be condemned and discarded before being sent out to the provinces. This will delay the disposal of books unless they are treated in the lump, which might easily be done the first time. After the permanent accession record is made and a withdrawal record established it will be a simpler matter to go through this process.

The unpacking of boxes, books, papers, and magazines, sorting the contents, and repacking them for shipment to soldiers in the provinces, addressing and mailing newspapers, and selecting books for the traveling libraries, has been under the direct supervision of the librarian, Mrs. Egbert, and in her absence the work has been carried on by her daughter, Mrs. W. L. Goldsborough, with no charge for the service.

FINANCES.

The total receipts for the fiscal year 1904-5 were ₱2,299.25. They consist of subscriptions, fines, losses, and extra book charges.

In October or November, 1904, Mrs. Egbert was authorized to use ₱40 each month for the purchase of fiction. In May, 1905, the acting librarian was given authority to purchase magazines and weeklies not to exceed ₱105 in cost; and in June she was authorized to spend an additional ₱80 per month in buying other books than fiction. So far as possible these purchases are made in Manila, thus making new and desirable books constantly available for circulation. Besides these expenditures ₱1,588.44 were used in the purchase of other books and bound newspapers.

The exact amount expended from the contingent expense fund is not yet known, as orders which were placed in the United States have not been received, and the cost of each article is not yet known. These expenditures, however, will be within the limit of the appropriation. The salary for the acting librarian is covered by a deficiency appropriation.

CONDITION OF THE LIBRARY.

When Act No. 96 was passed and the library became a government institution, there were about 10,000 volumes on hand. At that time the personnel of the library consisted of one librarian, one assistant librarian, and one messenger. At the present time there are more than 20,000 volumes, and the personnel consists of one librarian, absent on leave, one acting librarian, one assistant, and two messengers. Is any comment on the existing condition of the library necessary? The present assistant was employed primarily for the purpose of cataloguing the library. As no other work should be required of this assistant, the general work should be accomplished by the librarian and two messengers, but this can not be done.

The desk work alone requires the constant attention of one person. The supervision of most of the other work falls to this same person. It is needless to state that despite careful planning and overtime work much is left undone. In the past three months no shelf work could be done, consequently the shelves are in a state of discouraging confusion.

With the staff as limited as at present, the library can not hold its ground in the city department, and this is only a small part of the work to be done. Practically every book should be active either in the central library or in the outlying districts of the islands. The entire force of the library works to the limit of health and endurance in an effort to maintain even a semblance of order and system. Anything but an irregular attention to the distribution of books and magazines is impossible. Even the little done in that direction is at the expense of some other line of work.

Opportunities for extending the work are constantly being brought to notice, but in most instances these must be foregone, because of inability to cope with additional obligations. Wherever it has been possible to develop any line of work already pursued every effort has been made to do so.

CATALOGUING.

One line of work will be favored during the coming year—the making of a catalogue. Miss Syrena McKee arrived from America in January to make a dictionary card catalogue. But her hands were tied—nothing but the books and the cataloguer were at hand. Many of the needed materials for the work could not be purchased in Manila, and orders had to be sent to the United States, and some of them are still outstanding. The cataloguer's report on the work done and to be done is as follows:

MANILA, August 1, 1905.

DEAR MADAM: Please find below, as per your request, a report on the reorganization and cataloguing of the library.

When I began work in the library, on January 15, 1905, I found the conditions to be in a most primitive state. No adequate list of books was to be found; the books were arranged

on the shelves only according to the roughest classification; and there was absolutely no way to tell what books were in the library or where to find them on the shelves except through the memory of the librarian. Neither were there any of the ordinary working tools usually kept in a library, and it was only through the courtesy of Miss Mary Polk, the librarian at the government laboratories, that the loan of a few such tools was secured. Otherwise work would have been entirely at a standstill until such necessities could have been received from America. As it was, I began at the top of the ladder and worked backwards, cataloguing and numbering with book numbers, only, a certain part of the fiction, while waiting for material for beginning the work more systematically.

But before this was done I looked over the shelves carefully and removed all "dead" books. By dead books I mean worn out and useless books, duplicates, and such books as do not circulate or are not used for reference. This left a little over 12,000 volumes on the shelves, and it is estimated that there must be something like 10,000 volumes in the store-room and among the traveling libraries.

In April the new books bought in America the winter previously began to come in, and everything else had to be dropped to give them proper attention. They were put on the shelves for circulation as soon as they had gone through the several processes of being checked off the bills, marked, stamped, cut, collated, varnished, and accessioned.

The accession register was not ready until the middle of July, and when it came the new books were entered first. The work of accessioning the other books in the library is now going on. This is one of the most important records kept in a library, and is the first step toward a catalogue.

My plan is to accession the books first, then to classify them. Then each volume will be given a book number. After that they will be labeled and pocketed, a book card will be made for each, and then the actual cataloguing will begin. This will be done by cataloguing the books on slips, from which shelf, list, and catalogue cards will be typewritten. In case a printed list of the books in the library is considered necessary, these same slips may be used in its preparation, thus saving time and trouble.

In the meantime the printed cards of the model catalogue of the American Library Association displayed at the Louisiana Purchase Exposition at St. Louis have been sent for, and when they come will be used instead of typewritten cards. The library should continue to buy printed Library of Congress cards for new books that are being constantly received. These are inexpensive and save a wonderful amount of work.

It will be necessary to buy a great many more supplies before the cataloguing is completed. Labels, book cards, pockets, and cataloguing slips and cards will be required. A large catalogue case will be absolutely indispensable. Then the charging system will have to be changed, and cards for subscribers, record cards, cases for filing same, files for records of books issued, for subscribers' cards, and for fine records will all be needed. These need not be obtained at once, but gradually, as we get ready for them.

We have a large amount of work before us, and it is only by going at it systematically that anything can be accomplished. The work can be hastened by having further assistance, but will take a long time even under favorable circumstances.

The library has a wonderful future before it, and after it has been put on a thoroughly modern basis I think its growth will be remarkable.

Respectfully submitted.

SYRENA MCKEE,

Assistant Librarian and Cataloguer.

To the ACTING LIBRARIAN,
American Circulating Library of Manila.

OUTLINE OF WORK FOR COMING YEAR.

The work for the coming year, it is hoped, may move along definitely laid plans. There are so many lines along which beneficial development may be made that it has been difficult to decide upon a definite course on account of the working force being so small. In selecting the lines of work on which to concentrate the greatest effort, the choice is made with the conviction that the greatest possible advancement will be effected, the status of the library raised, and the immediate needs of the patrons best served. These lines of work are: Cataloguing the library, putting in a modern charging system, sending out traveling libraries every month, building up and popularizing the reading room, and strengthening the several divisions of literature, especially in standard authors, reference books, and works best adapted to meet local needs.

RECOMMENDATIONS.

I recommend the appointment of another regular assistant; also a native boy to do typewriting and other clerical work at a moderate salary; an increase in the salary of the present assistant, which is outrageously low considering the nature of the work required and the

expense of living in Manila; and an increase in the remuneration of the two natives employed, who have rendered long and faithful service.

I also recommend the appointment of at least two apprentices, who can be taught library work and who can be used as substitutes in the case of absence for any cause of the regular staff. They need only be paid according to their work as substitutes, or for any night work done by them. If these suggestions are carried out, I see no reason why the library should not be kept open for two hours in the evening, say from 7.30 to 9.30 o'clock. It can not be done with the present force, but would be a very popular movement.

I further recommend that some specific action be taken by the Commission authorizing the trustees to formulate plans for the distribution or incineration of the ten thousand books not on the shelves and heretofore referred to. The greater part may be put in country circulation, but there are several thousand volumes which merit unqualified condemnation. A temporary force may be necessary to accomplish this desideratum—possibly two clerks for two months—but the ghost would be permanently laid, the purposes of the library and its contributors subserved, and the future growth of the permanent reading matter greatly facilitated. The details may with safety be left to the trustees, the main object being to relieve them of future responsibility to the auditor for such books as can not be placed in the stack room or used in the traveling libraries.

Another item which I strongly recommend is the doing away with the necessity of having patrons of the library sign the subscription and fine rolls. It is very irksome to many of them, and requires strict attention from the librarian in charge of the desk in order to prevent error and confusion, while the results obtained could be reached as well by a simpler system.

CONCLUSION.

In conclusion, I find on the whole that the library is in a truly hopeful condition, with the prospect of attaining to heights of usefulness never before realized. The early establishment of a good system of classification and a working catalogue will do wonders to make the library valuable in reference lines, while the contemplated purchase of more good reference books will also be a help in this direction.

I wish to thank the board of trustees for their courteous consideration and the responsive way in which they have received suggestions for the betterment of library conditions. Thanks are also due to the employees for faithful service.

Statistics of moneys received and disbursed, of circulation of books, of reading matter received for distribution, and copies of the acts of the Commission referring to the library and quoted in this report will be found appended.

Respectfully submitted.

MRS. EMMA O. ELMER,
Acting Librarian.

Approved:

GEO. C. SELLNER,
Secretary and Trustee, American Circulating Library.

The SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

CIRCULATION.

As no circulation statistics were kept during the year, these have had to be estimated as follows:

Tickets issued per month.....	300
Books circulated per month.....	1, 250
Books circulated during year.....	15, 000

Boxes of reading matter received.

July, 1904.....	9	February.....	No data.
August.....	4	March.....	25
September.....	26	April.....	None.
October.....	No data.	May.....	18
November.....	No data.	June.....	12
December.....	No data.		
January, 1905.....	No data.	Total.....	94

Money received.

Months.	Subscriptions.		Fines.	Extra books.	Lost books paid for.	Total.
	Yearly.	Monthly.				
1904.						
July.....	₹ 15.00	₹ 146.00	₹ 8.85	₹ 1.30		₹ 171.15
August.....	70.00	145.00	21.85	1.20		238.05
September.....	15.00	118.50	31.55	1.30		166.35
October.....	35.00	137.50	36.95	.80		210.25
November.....	35.00	128.00	24.10	2.30		189.40
December.....	15.00	144.50	42.15	3.80		205.45
1905.						
January.....	25.00	133.00	31.55	3.20	₹ 3.00	195.75
February.....	40.00	102.50	23.00	1.40		166.90
March.....	20.00	121.00	34.35	2.10		177.45
April.....	10.00	109.50	58.95	3.40		181.85
May.....	30.00	114.50	48.40	5.60	6.00	204.50
June.....	30.00	115.00	39.95	4.20	3.00	192.15
Total.....	340.00	1,515.00	401.65	30.60	12.00	2,299.25

Disbursements.

Months.	Salary and wages fund.	Contingent fund.	Book fund.	Months.	Salary and wages fund.	Contingent fund.	Book fund.
1904.				1905.			
July.....				January.....	P 312.22		P 200.44
August.....	P 390.00		P 67.80	February.....	406.66		40.00
September.....	390.00			March.....	730.01		40.00
October.....	260.00	P 237.79		April.....		P 1.30	
November.....	390.00		40.00	May.....	351.65		463.11
December.....	390.00			June.....	710.64	248.88	498.66
				Total....	4,331.18	487.97	1,350.01

[ACT No. 96.]

AN ACT Accepting the gift of The American Circulating Library Association of Manila, authorizing the military governor to execute the instrument of acceptance and to appoint a board of trustees to administer the property.

By authority of the President of the United States, be it enacted by the United States Philippine Commission, that:

SECTION 1. Whereas "The American Circulating Library Association of Manila, P. I.," has established a library of some ten thousand or more volumes as a memorial to those officers and men of the United States military and naval forces who have lost their lives in the military service of their country in the Philippines; and

Whereas the objects of the association were the establishment of a source of instruction and profitable entertainment for all residents of Manila, whether permanent or transient, and of whatever race or nationality, and the dissemination of useful knowledge and literary diversion among those officers and men of the American military and naval forces who are stationed throughout the Philippine Archipelago; and

Whereas the board of trustees and the executive board of the association have proposed to convey to the Military Government, and any succeeding Civil Government of the Philippine Islands, all the interest of the association in its books, to be held by such government or its successor, in trust, for the free use of the United States soldiers and sailors stationed in the Philippine Islands and of the residents of the city of Manila, and for all the purposes of the association as fully set forth in the constitution and by-laws, the trust to be administered under the legislative control of the Military Government, or its successor, the Civil Government, of the Philippine Islands, on condition that suitable appropriations, within the discretion of the Government of these Islands, shall be made for the proper housing of the books and their circulation in accordance with the purposes of the original gifts, and that the name shall remain unchanged, and the memorial feature shall be perpetuated, and that the magazines and such books as can be spared shall be sent as promptly as possible to the outlying districts of the Archipelago; the proposition is hereby accepted, and, upon the execution of the necessary instruments of conveyance by the association, the Military Governor

is authorized and directed to execute the same on behalf of the Insular Government and to accept the delivery of the books and property of the association.

SEC. 2. The Military Governor shall appoint a board of trustees to consist of five members resident or stationed in the Philippine Islands, two of whom shall be members of the Army or Navy of the United States, and two of whom shall be natives of the Islands. It shall be the duty of the board to take into its custody and control the books and other property of the American Circulating Library Association of Manila, so conveyed, the acceptance of which is hereby authorized; to provide the necessary rooms or buildings; to appoint the necessary librarians, janitors and other employees, and to make rules for the circulation of the books in accordance with the terms and conditions of the trust. Vacancies in the board shall be filled in the same manner as the original appointments are made.

SEC. 3. The Military Governor shall neither execute the instrument nor accept delivery of the books or property until after the instrument of conveyance shall have been declared by the Attorney-General of the Supreme Court to be valid and effective for the purposes therein stated.

SEC. 4. This Act shall take effect on its passage.

Enacted, March 5, 1901.

[ACT No. 1225.]

AN ACT Making appropriations for sundry expenses to the insular government for the fiscal year ending June thirtieth, nineteen hundred and five, and other designated periods.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. The following sums, or so much thereof as may be respectively necessary, are hereby appropriated, out of any funds in the Insular Treasury, not otherwise appropriated, in part compensation for the service of the Insular Government for the fiscal year ending June thirtieth, nineteen hundred and five, unless otherwise stated:

AMERICAN CIRCULATING LIBRARY OF MANILA.

Salaries and wages, American Circulating Library of Manila, nineteen hundred and five: Librarian at one thousand two hundred dollars per annum; one assistant librarian, at one thousand dollars per annum from October first, nineteen hundred and four; one assistant librarian, at nine hundred dollars per annum until not later than September thirtieth, nineteen hundred and four; two employees, at one hundred and twenty dollars per annum each; four thousand eight hundred pesos.

Contingent expenses, American Circulating Library of Manila, nineteen hundred and five: For contingent expenses, including purchase of furniture and ice, coolie hire; shelving for new quarters; rebinding of old volumes; insurance; and other incidental expenses; one thousand four hundred pesos.

In all, for the American Circulating Library of Manila, six thousand two hundred pesos: *Provided*, That all receipts on every account of the American Circulating Library of Manila shall be duly accounted for to the Auditor and deposited by the Librarian in the Insular Treasury: *And Provided*, That a permanent appropriation of all receipts deposited under the preceding provisions is hereby made for the purchase of books and pamphlets for the library, such funds to be withdrawn upon requisition of the chairman of the board of trustees: *And provided further*, That the American Circulating Library may purchase books, periodicals, and other reading matter without the intervention of the Insular Purchasing Agent, Act Numbered One hundred and forty-six, as amended, to the contrary notwithstanding.

BOARD OF TRUSTEES.

Judge Florentino Torres, president; Mr. George C. Sellner, secretary; Capt. George P. Ahern, Ninth Infantry; Dr. T. H. Pardo de Tavera; Commander J. M. Helm, United States Navy.

Staff.—Mrs. Nelly Young Egbert, librarian (on leave in the United States); Mrs. Emma O. Elmer, acting librarian; Miss Syrena McKee, assistant librarian and cataloguer.

Messengers.—Plácido Abiad, Salvador Donado.

EXHIBIT F.

REPORT OF THE EDITOR OF THE OFFICIAL GAZETTE.

DEPARTMENT OF PUBLIC INSTRUCTION,
OFFICE OF THE OFFICIAL GAZETTE,
Manila, P. I., August 15, 1905.

SIR: In compliance with your communication of the 12th ultimo, I have the honor to submit a report of the operations and work of this office for the year ending June 30, 1905.

The publication of an Official Gazette was originally provided for in Act No. 453, enacted September 2, 1902. This act, as subsequently amended by Acts Nos. 664 and 971, and as further amended by Act No. 1347, enacted May 19, 1905, prescribes the material to be published therein and the manner of distribution of copies. It is intended that the Gazette should constitute a faithful record of all governmental activities, legislative, executive, and judicial. In it are published the acts of the Philippine Commission, such acts of Congress as deal specially with Philippine affairs, important resolutions of the Commission, executive orders, all decisions of the supreme court of the Philippine Islands, and such decisions of the Supreme Court of the United States as are of local importance, the opinions of the attorney-general, and important orders and circulars issued by the various bureaus and offices. The Gazette also publishes a list of changes in the service and a directory of government offices.

Under the former is given all appointments to positions salaried at \$1,000 or more, as well as all resignations, removals, suspensions, and reinstatements occurring in the government service. The directory gives the location, heads and principal subordinate officers of each bureau and office of the central and provincial governments and of the city of Manila, the more important officers of the military establishment, a schedule of postal rates, table of office hours, and other kindred matters of permanent interest.

The Gazette is published in both English and Spanish, a feature which, while nearly doubling its cost to the government, is rendered necessary for some time to come by the peculiar conditions existing.

The subscription list at present embraces 1,048 paying subscribers. The current revenue from paid subscriptions amounts to ₱12,576 per annum, although the actual revenue for the past fiscal year amounted to ₱14,635.17 and Pfs. 27.60 Mexican, the excess resulting principally from sales of single copies and subscription for back volumes. As is seen, the free list is approximately 50 per cent of the total. It is my belief that all extra numbers supplied free subscribers should be charged for, a double charge being made in the case of numbers of back volumes. It is the experience of this office that free distribution militates against a proper preservation of the copies distributed. The Gazettes are very commonly appropriated to private use, and at the end of the year this office is frequently called upon to replace from 10 per cent to 50 per cent of the numbers. On the other hand, where there is no call for back numbers, as is generally the case with justices of the peace, it is probable that the files are in even worse condition. Such files as remain incomplete and unbound will in the course of a few years be of no value.

In obedience to an indorsement from the secretary of public instruction, the publication of statistical matter has been discontinued. No additional matter has been admitted to publication, except that a monthly schedule of mails and a table of office hours are now carried for the convenience of the public.

The value of the Gazette, both to the general reader and as a work of reference, has been greatly enhanced by the introduction of footnotes to prior acts, executive orders, resolutions, decisions, etc., mentioned in the text, giving the page of the Gazette at which the same may be found.

In addition to this, syllabi are now prepared in this office to all resolutions, opinions, etc., adding greatly to their interest and value. The latest innovation which has been made is the printing of quotations in 6-point type.

The latter feature, by the distinction which it introduces between quotations and context, renders perspicuous those matters abounding in quotations, and will prove of great benefit to subscribers, especially those who are attorneys. The discontinuance on the part of the reporter of the preparation of syllabi to the decisions of the supreme court is deplored by this office, as it greatly detracts from the merits of and interest in this portion of the Gazette.

Arrangements have been made during the year whereby the opinions of the attorney-general are translated before transmission to this office. All the remaining material is received translated, except bureau circulars. Most of the latter are now abstracted in this office, so that they will not when published occupy more than one page per number, and then remitted to the translating division of the executive bureau for translation.

Act No. 1347 provides for the discontinuance of the quarterly volumes of acts. This should have a marked effect upon the circulation of the Gazette. As yet, however, no increase in circulation attributable to such act has been noted. But a rapid increase in the amount of sales of single copies and of back volumes is doubtless due to the passage of the same.

The call for bound volumes of Vols. I and II has become so incessant that I have already made requisition for the binding of a limited number.

Act No. 1347 also directs that the Gazette be indexed quarterly instead of semiannually, as heretofore, and that the index prepared in January of each year cover the entire preceding year. The latter provision was anticipated by this office in the preparation of our last index, which was made to cover Vol. II for the entire year 1904. Owing to the fact that the annual volumes of the Gazette are most conveniently bound in two parts of six months each, I have deemed best to prepare the indices as follows: (1) An index for the first quarter, (2) an index for the first half-year, (3) an index for the third quarter, and (4) an index for the whole year. This will enable subscribers to bind their copies in quarterly, semiannual, or annual volumes to suit their taste, in the latter cases discarding such indices as are superfluous.

I have accordingly, with the approval of the secretary of public instruction, prepared the index for the first six months of 1905. The same is now in press and will be mailed to subscribers within a few days. The Spanish index will appear by the first of September.

A further improvement has been made in the manner of indexing. In the July and January indices special indices are introduced, as follows:

SPECIAL INDICES.

Public laws: (a) By number, (b) by subject.

Executive orders: (a) By number, (b) by subject.

Decisions of the supreme court: (a) By name, (b) by subject.

Opinions of the attorney-general: (a) By date, (b) by subject

Bureau of Philippines constabulary.

Bureau of customs and immigration.

Bureau of education.

Miscellaneous publications.

All matter published in the Gazette will be found under one or the other of these special indices. The same references are then scattered through the body of the general index by subject; so that under the heading "municipalities," for instance, will be found references to all the laws, executive orders, proclamations, resolutions, decisions, and opinions bearing on that subject.

The Gazette as originally constituted was doubtless not intended to be self-supporting, nor will it become so unless one or more of the following features be eliminated, viz: (1) Publication in two languages, (2) a large free list, (3) prior publication of much of its material in leaflet and pamphlet form, (4) prior publication in the daily press.

RECOMMENDATIONS.

Being advised of the desire of the Commission that the Gazette be made self-supporting, I have the honor to recommend the adoption of measures providing for the following changes, having that end in view, viz:

1. Discontinuance of the publication of (a) laws, and (b) bureau circulars, orders, etc., in leaflet and pamphlet form.

2. Discontinuance of publication of (a) laws, (b) "legal advertisements," and (c) bureau advertisements in the newspapers.

3. Publication of the following matters in the Gazette: (a) patents, trade-marks, copyrights, and brands; (b) publications connected with the disposal of public lands and their products; (c) articles of incorporation, bankruptcy, and insolvency.

4. Amendment of section 4 of Act No. 453, as amended, as described below.

5. Discontinuance of free distribution of extra numbers to insular officers, provinces, and justices of the peace.

1. *Leaflets and pamphlets.*—(a) At the present time interest in the Gazette, especially among the officials, is weakened by the prior publication of the laws, executive orders, bureau circulars, general orders, etc., in leaflet and pamphlet form.

The expense entailed would be practically eliminated and the Gazette circulation largely increased if such publications were discontinued, except as to laws and executive orders of the first importance.

If, however, it is deemed advisable to continue the publication in leaflet and pamphlet form of all laws, it is respectfully suggested that the size of print and length of the line be made to correspond with that used in the Gazette. This would greatly reduce the cost of subsequent publication in the Gazette. Most of the laws enacted are so brief that the use of large type would appear unnecessary.

(b) Where bureau circulars and orders are of sufficient importance to justify printing they are usually of such public interest as to call for publication in the Gazette. Much matter under this head is now being printed in elaborate pamphlet form, but which is nevertheless of a character so ephemeral and (to all persons outside the bureau of issue) of such slight importance as to render it difficult to find grounds justifying the expense entailed.

All bureau circulars and orders intended for print should be sent in typewritten form to the editor of the Gazette, to be by him passed upon, subject to the superior direction of the secretary of public instruction, those of general interest being either published in full or abstracted, according to their importance, and the remainder, together with those of which abstracts have been made, being returned to the bureau of issue to be published in mimeographic form.

2. *Publication in newspapers.*—(a) The alleged justification for the publication of the laws in the newspapers is that in laying the foundations of a new government it is essential that the laws be given the widest publicity in order that the public may be universally informed of all changes. While the soundness of this principle is beyond dispute, it is questionable whether the publication in this case produces the desired effect, when we consider that nearly the entire law-reading public outside of the city of Manila consists of those connected with the various presidencias and justice courts, where the Gazette is received, and as a matter of practice examined by all present. The limited number of Spanish papers received in a municipality go to practically the same class of persons.

Unquestionably important acts affecting the general public should be published in the newspapers. But for the bulk of present legislation, consisting of routine matters, amendments, and local measures, publication in the Gazette alone would doubtless prove sufficient.

(b) There is one important fact to be borne in mind, namely, that the Gazette is the attorneys' handbook. All American attorneys and the bulk of the native attorneys are subscribers.

In the Gazette they have not only the laws, executive orders, and proclamations, but also the decisions of the supreme court and opinions of the attorney-general; and that many, months prior to the publication of the latter elsewhere. Attorneys have them bound in semiannual volumes, constituting complete statements of government activity, legislative, executive, and judicial.

This being the case, it would appear appropriate to publish in the Gazette all routine advertisements and notices arising out of proceedings in the supreme court, court of land and registration, and courts of first instance. The publication of original process in the daily press may be essential to a proper publicity; but when the parties to an action or proceeding have been brought into court and have secured counsel, the public interest would be best subserved by the publication of all subsequent notices in the Gazette, the lawyer's handbook. Practically all courts and attorneys keep bound volumes of the Gazette and of the Gazette only.

(c) Whatever objections might be made to the publication of semiprivate notices in a government organ, it would at least seem that no valid objection could be urged against the publication by the government of its own advertisements.

Perhaps contracts involving vast interests, such as railroad contracts, should be advertised through the newspapers. But the ordinary routine bureau advertisements should come to the Gazette. This would speedily awaken on the part of contractors an interest in the Gazette.

3. *Record of trade-marks, homesteads, entries, etc.*—(a) Lists of patents, copyrights, trade-marks, and brands are carried in the Gazettes of other countries. Copyrights and trade-marks in particular are matters of general interest, and the publication thereof would not only tend to increase circulation, but would also indirectly advertise the article protected, so that a publication fee could hardly be considered in the nature of an additional burden. Most foreign Gazettes publish facsimiles of trade-marks. This constitutes an additional protection to and advertisement for the owner.

The advantage to the owners of cattle from the publication of brands is obvious. It would perfect the security derived from the brand by placing the record thereof in every municipality.

(b) The necessary publication in connection with homestead sales and leases of portions of the public domain and mining claims should be made in the Gazette, in view of the large use made of and frequent reference to such publications by attorneys and courts of law. The daily press is partial in its distribution, English papers being practically confined to Manila and few Americans scattered through the provinces, and the different Spanish papers being commonly taken in certain localities and unknown in others. And besides this they are never bound and seldom preserved.

Notice of the granting of long-term timber licenses and of those to cut more than 10,000 cubic feet of timber should for like reasons, and also because of the public interests involved, be published in the Gazette. The publication of timber and mining notices would attract a class of readers as yet untouched.

(c) Nothing would serve to evoke more interest in the Gazette on the part of the commercial public than the publication of the monthly statements of corporations as formerly done under article 157 of the Code of Commerce. This article appears to be still operative, and the Banco Español Filipino continues to publish its balance sheet in conformity therewith and with article 183, at an annual expense to the Gazette of ₱120. As there is no present provision for the payment of fees for such publications we are not at present insisting upon the other corporations complying with this provision.

But whatever may be the merits of enforcing compliance with the provisions of article 157, it would seem that for the information of the general public, every corporation hereafter organized should publish in the Gazette a statement of the data required by article 151 of the Code of Commerce; and in case of corporations exercising a franchise or otherwise of quasi-public nature, the articles of incorporation and amendments thereto should be published in full.

4. In conclusion, permit me to recommend that section 4 of Act No. 453, as amended be amended by adding at the end of the first sentence thereof the words "*Provided, That a double subscription, English and Spanish editions, shall be at the rate of ₱20 Philippine currency, per year,*" and by inserting in the fifth line of such section, after the word "copy," the words "English edition," such amendments to become effective January 1, 1906.

The adoption of this provision would have the effect of requiring municipalities to take the English edition. It would at the same time enable them to procure the Spanish edition on easy terms, a circumstance of which it may be assumed most of the municipalities would not be slow to take advantage.

On the other hand, it will be necessary to require subscription to the English edition, for the older generation of municipal officers, still in power, will continue to prefer the Spanish, while the rising generation, still without political influence, are better acquainted with and prefer the English.

A double subscription for two or three years after January 1, 1906, is in fact almost a necessity. For the older generation would be unable to do with the English edition alone, while the young men who will be coming into office at about the expiration of that period will, if the present system is continued, find themselves with a lot of useless Spanish files on their hands. Since assuming charge of the Gazette I have regularly annotated it as stated above. This would of course be of no service where the files were in Spanish, since the paging of the two editions differs.

In addition to requiring the taking of the English edition by municipalities it is proposed to omit from the Spanish edition those minor publications not required by law but which are nevertheless at the present time carried in both editions. This device will hasten the substitution by the native officials of the English for the Spanish edition.

With the increased circulation which would result from the adoption of the foregoing features, and such fees as it might be deemed proper to impose for the publication of court notices, bureau advertisements, trade-marks, copyrights, etc., public land publications and articles of incorporation, etc., there can be little doubt but that the Official Gazette, from being a burden upon the treasury, would become more than self-supporting.

Very respectfully,

NORTON F. BRAND,
Editor Official Gazette.

THE SECRETARY OF PUBLIC INSTRUCTION,
Manila, P. I.

OFFICIAL GAZETTE.

Statement of receipts and deposits during the fiscal year 1904-5.

Subscriptions and sales.			Deposited in insular treasury.		
Date.	Philippine currency.	Mexican currency.	Date.	Philippine currency.	Mexican currency.
1904.			1904.		
July.....	P1,591.60	Pfs. 27.60	July 26.....	P1,206.18	
August.....	1,577.96		September 19.....	1,935.00	Pfs. 27.60
September.....	506.32		September 26.....	300.00	
October.....	354.50		November 3.....	450.20	
November.....	503.80		December 5.....	602.35	
December.....	662.00				
	5,195.18	27.60		4,493.73	27.60
1905.			1905.		
January.....	550.24		January 5.....	675.70	
February.....	1,456.22		January 24.....	297.04	
March.....	2,130.20		February 14.....	724.32	
April.....	2,817.90		March 9.....	1,582.08	
May.....	1,028.90		April 3.....	1,369.00	
June.....	1,456.50		April 15.....	1,615.70	
			May 8.....	1,604.60	
			June 29.....	1,866.00	
	9,439.96			9,734.44	
	5,195.18	27.60		4,493.73	27.60
				a 16.00	
				b 12.00	
Total.....	14,635.14	27.60	Total.....	14,256.17	27.60
Insular treasury, supplement fiscal year 1905.....				378.97	
Grand total.....				14,635.14	27.60

^a Return on check No. 1712249, treasurer of Ilocos Norte. (See entry, June 11, 1904.)

^b By error in deposit on treasury check No. 18878, entered May 23, 1904, page 101.

Subscribers to Official Gazette.

	Number of copies.		Total.
	English.	Spanish.	
FREE.			
Insular government offices	222	89	971
Justices of the peace	6	614	
Provincial governments		40	
Total	228	743	
ADDITIONAL LIST.			
In United States and foreign countries	53	5	69
In Philippine Islands (Army and Navy)	11		
Total	64	5	
Grand total			1,040
PAY LIST.			
Provincial governments	54	14	702
Municipal governments	2	632	
Total	56	646	
PRIVATE SUBSCRIBERS.			
In Philippine Islands	120	199	346
In United States	24	1	
In foreign countries	1	1	
Total	145	201	
Grand total			1,048

Total number of subscribers, 1,040+1,048=2,088.

Percentage receiving copies free, 49.50.

Status of collection for the Official Gazette to June 30, 1905.

	Sub- scribers.	Discon- tinued.	Volume I, II, and III.		
			In full.	More or less.	Unpaid.
Provincial governments.....	68	14			
Number paid up.....			56	10	
Number delinquent.....					2
Municipal governments.....	634	337			
Number paid up.....			469	162	
Number delinquent.....					3
Private subscribers.....	346	97			
Number paid up.....			213	116	
Number delinquent.....					17
Total.....			738	288	22

Percentage paid up, 92.17.

**REPORT OF EXAMINATION OF COAL DEPOSITS ON
THE BATÁN MILITARY RESERVATION
BATÁN ISLAND, P. I.**

**By H. L. WIGMORE,
FIRST LIEUTENANT, CORPS OF ENGINEERS.**

**REPORT OF EXAMINATION OF COAL DEPOSITS ON THE BATÁN
MILITARY RESERVATION, BATÁN ISLAND, P. I., BY H. L. WIG-
MORE, FIRST LIEUTENANT, CORPS OF ENGINEERS.**

LIGUAN, BATÁN ISLAND, P. I., *April 20, 1905.*

The ADJUTANT-GENERAL,
Philippines Division, Manila, P. I.

SIR: Pursuant to your telegram of the 14th instant, I have the honor to submit herewith a report of the results of the examination of this reservation with respect to the coal deposits and the practicability of mining the same:

GEOLOGY, STRATIGRAPHY, AND TOPOGRAPHY OF THE ISLAND.*

The island of Batán is composed almost entirely of sedimentary rocks deposited in the Tertiary age, the deposits covering a period of time which, field examinations show, probably extends from the Eocene through to the Pliocene division of that age. The only exceptions are coal, which is found interbedded in the sedimentary rocks, and a volcanic rock which underlies the sedimentaries and with which they are unconformable. This rock up to the present has been located but in three points on the island, in two cones or peaks of small size and extent, one on the shore at Liguan and one at Caracaran, and in a large mass comprising the northeastern corner of the island.

Beginning at the south shore of the island (how much below, either geologically or vertically, is not yet known) the strata are superimposed upon each other to the north shore, the strike running generally with the length of the island, and are separated into well-defined groups or sets by intermediate layers of limestone, in general about 200 feet in thickness and about 200 feet apart geologically. Hereafter in this report these separate groups or sets of true sedimentary rocks will be defined as coal measures, meaning simply those strata of shale and sandstone lying between beds of limestone, interbedded in which coal has been found or which it is possible for coal to have been formed, though it may not have yet been discovered therein.

The general east and west trend of the strata is broken up by what may generally be stated, but which statement should not be accepted and is not advanced as positive or definite, or not subject to revision upon more intimate and detailed knowledge, to be two major anticlines, which in the western half of the island give two main directions to the strata, northeast to southwest and northwest

* See map entitled "Map of Batán Island, P. I., from United States Coast and Geodetic Survey, 1903."

to southeast, and in the eastern half northeast to southwest, changing to east and west. These major anticlines include numerous minor anticlines and synclines, to determine the form, extent, and direction of which will require much time, and careful and minute investigation by a skilled geologist.

Beginning at the western end of the island, in the vicinity of the station established here by the War Department, a chain of low mountains rises abruptly to a height of about 1,000 feet and, taking a southeasterly course, drops as abruptly at the eastern line of the Government reservation near Caracaran, the crests being nearly everywhere not more than a mile or 2 miles from the southern shore.

Spurs project at intervals from the main ridge on the southern side, running to the shore, marking in every case a stratum of limestone. The north slope of this ridge descends gradually to a valley, through which the Caracaran River runs and which, with the exception of a low chain of hills on the north shore, constitutes the remainder of the reservation.

To the east of the reservation the mountains rise again near the south shore and drop off gradually and gently as the eastern end of the island is approached, this end having, with the above exception, the general characteristics already described of the western half.

The entire island, with the exception of the northeastern corner, composed of volcanic rock, is covered with a dense growth of forest, the difficulties of exploring it being enhanced by an almost impenetrable undergrowth, composed mostly of such plants and vines as are very amply provided with thorns and hooks. Due to the recurring strata of limestone, which on account of its peculiar susceptibility to erosion by atmospheric agencies and the consequent jagged and irregular shape which its outcrops assume, the elevations of the island are exceedingly rough and rugged. Such topography as this renders the work of a geologist here the most difficult of its kind, hinders greatly the transportation of prospecting drills, and prevents, except at great expense, the use of drills of great capacity anywhere but along the shore line.

For the geological data embodied in the above I am indebted to Mr. Warren D. Smith, geologist, mining bureau, who was sent here at the instance of Mr. H. D. McCaskey, chief of the mining bureau, to investigate the geology of the island and the value of the coal deposits.

COAL MEASURES AND COAL OUTCROPS.

Referring to the map entitled "Map of Batán Island, P. I., from United States Coast and Geodetic Survey, 1903," beginning at "A," which is near the foot of the southwestern slope of the main ridge near its termination, or rather beginning, we find a group of outcrops which indicate the presence of at least three seams of coal, it not being possible, however, to estimate their respective thicknesses. Passing on along the southern slope of the ridge and gradually ascending, we find at "B" a second group of outcrops, which indicates the presence of probably three, and at least two, coal seams, one of which measures 5 feet in thickness and the other about 3 feet. Continuing along this slope, still gradually ascending, we reach at "C" a third group of outcrops, which indicate the presence of at least three seams of coal, being, respectively, 18 inches, 7 feet, and 3

feet 6 inches. Continuing again we find at "D" a fourth group of outcrops, which indicate the presence of at least three seams of coal, one 3 feet in thickness, another 5 feet, the third not permitting of a correct estimate of its thickness. Continuing now in what appears to be the same set of coal measures, crossing the ridge and descending on the north slope, we find several outcrops (Group "E"), which, however, do not permit of an accurate estimate of the thickness of the seams which they represent. Contrary to the outcrops on the south slope, which all dip into the mountain, these apparently dip with the slope. Going back to Group "C" and ascending the mountain we cross a stratum of limestone, pass through a group of coal measures, in which, however, so far no coal has been located, and reaching the top of the mountain find ourselves in limestone. Returning to "C" once more, and descending the mountain in a southerly direction, we pass out of the coal measures in which Group "C" lies, cross a stratum of limestone, and find ourselves in another set of coal measures, in which we find the group of outcrops "F"; passing on, shortly before reaching the shore we again meet with another stratum of limestone. Here we have, then, three apparently distinct and separate sets of coal measures, two of which contain numerous coal outcrops. In Group "D" one outcrop is found which dips with the hill. This might be where the blossom, in becoming broken from its true position, reversed its dip. If we assume it to be in place, it might, then, under certain conditions, indicate the coal measures in which it is found, to be but part of those higher up, being the opposite slope of an anticline, the ridge of which has been eroded. However, later we will find in the drill holes positive indications of two sets of coal measures, both bearing coal.

Referring again to the map entitled "Map of Batán Island, P. I., from United States Coast and Geodetic Survey, 1903," and continuing our search along the southern slope of the ridge, we find coal outcropping once more in the Balerna claim, and farther on, only a hundred feet or so above sea level, outcropping to the west of Caracaran. Crossing the Government line we find, in the center of the low pass from Caracaran to Gaba, coal again outcropping. Between here and Batán, at the eastern end of the island, no explorations have been made as yet, but at Batán we find coal outcropping once more in the Perseverancia claim, and again close to the village of Batán, where a well-defined 5-foot seam of coal is found, which is at present being worked by natives, much to the detriment of future mining at that place.

Continuing around toward the north, outcrops are found near San Ramón. Passing to the west then, after leaving behind us the volcanic rock outcropping in the northeast corner, we reach Calanaga, where coal outcrops once more and where a Spanish mining company has been operating for some time. From here on, however, as we go along the north shore around to the Government station, we find no more traces of coal, though here and there a native will be found who says there is coal there, though he is unable to point it out. Going back into the reservation and crossing northward from the ridge of the main line of mountains to the shore line at Gaba, no more coal outcrops have yet been found, though after leaving the foot of the

northern slope of the ridge the way lies almost entirely in coal measures. This section, however, has not been thoroughly explored, so that it can not be definitely stated that no coal exists there. The Caracaran River cuts its way through the valley for probably two-thirds of its length at right angles to the strike of the strata, and in its bed no indications of coal have been found, though recently Mr. W. D. Smith, the geologist of the mining bureau, found a few traces of coal float. The evidences of coal are so slight, however, that in the present report it will be assumed that in the Government reservation no seams outcrop north of the main ridge.

It might be thought that coal, being so abundant on the south slope and dipping into the mountains, as it in general appears to, some evidences of it should be found on the north slope if it were continuous. That, however, is explained by the fact that the dip of the coal is such that its continuance would not only not be found in the opposite slope, but that it must be sought for from 500 to 2,000 feet below sea level, where the northern slope descends to near that level.

Reviewing these facts, it will be seen that while coal measures are found on both slopes of the main ridge running through the reservation, those found on the south slope are the only ones containing coal, and that apparently the coal is continuous from Liguán to Caracaran.

In planning the

DRILL WORK,^a

therefore, it was assumed that the conditions found in the square mile in which Liguán and Tinacauan are situated, and which contains the "A," "B," "C," "D," and "E" groups of outcrops, might reasonably be supposed to prevail to the end of the reservation.

From the beginning two great disadvantages had to be contended with, one the consequence of the other. First, due to the roughness of the country and to the lack of water at the higher elevations, drills of greater capacity than 300 feet could not be used except at the cost of much time and money in getting them into position, and this preliminary expense for each drill hole was not deemed warranted in preliminary prospecting, where absolutely nothing was known of the stratification. In consequence of having to use drills of small capacity it was at once found that only one set of coal measures could be pierced in each hole, thus making it extremely difficult to connect the stratification shown in drill holes any great distance apart. Later, when the dip of the coal seams became approximately known, it also resulted in the drill work having to be confined to the southern slope, as on the north slope the coal beds were beyond the reach of the drills. At the higher elevations the data from the drill holes there located, may in some cases be reliable, only as showing the minimum amount of coal to be found in the measures, and may not be accepted as proof that only the coal there shown will be found. This on account of the fact that as the elevation increases, the slope of the mountain side also increases, and that as the slopes increase, the strata there outcropping may have dipped from their true position or have been partially eroded.

^a See map entitled "Map of portion of Batán Island Military Reservation in the vicinity of Liguán," and Drill Chart.

In September, 1903, drill holes No. 1 and No. 2 were put down, using a Bravo hand-power drill borrowed from the civil government. The bit used was the smallest provided, producing a fifteen-sixteenths-inch core. The records of these holes are more or less inaccurate, owing to the fact that so small a bit produces but a small percentage of core in soft strata, such as coal and shale, and that when these holes were put down insufficient casing was on hand to obtain constant return of water. In soft measures this is a vital point, as where core is lacking the color and contents of the water on its return are almost infallible guides to the material being passed through. As a consequence of the information obtained from these two holes and the disturbed condition shown in the Urgera tunnel mining work was stopped therein. The conditions there prevailing were fully covered in my special report of October, 1903. I am now inclined to believe, from the information later obtained, that stopping work at this point may have been unwise, as the disturbed conditions of the strata would have probably soon been passed through and coal in situ and undisturbed have been reached.

In July, 1904, two drill foremen arrived from the United States, and work with the Bravo drill at once commenced at drill hole No. 4. Here again, though coal in thin seams was found, the thickness shown is not regarded as accurate, due to the fact that sufficient casing was not on hand. From No. 4 the drill was moved to drill hole No. 4-A, records from which are considered accurate.

In September, 1904, one Standard diamond drill and one Davis calyx drill arrived. Due to the full equipment of the latter not having been sent, it could not be used, and the foreman sent out to operate same was discharged. The Standard diamond drill was at once set up and drill hole No. 5 put down. Coal measures were here found underlying the limestone, but as the capacity of the drill had been reached when coal measures were struck no further work could be done at this location.

The Bravo drill was moved to drill hole No. 6, supposedly in the same set of measures as No. 4-A. This hole had to be abandoned before the coal measures were passed through on account of the strata caving so that casing could not be put down. It was soon found, too, that it was cheaper and quicker to move at once upon any serious caving in the hole, as the time spent in putting down casing was generally more than would be required to move to a new position and reach an equal depth. Nos. 6-A and 6-B were then put down—No. 6-B being regarded as unreliable, however, as the strata was found to be in a very much crushed condition, the hole being in a steep slope of the mountain.

From drill hole No. 5 the Standard drill was moved to drill hole No. 7 and then to No. 9, both holes being in the same set of coal measures. The strata here showing but slight signs of coal—where surface indications would indicate a continuance of the coal measure (in which No. 4-A was put down), should have been found—the drill was moved to drill hole No. 10, at the foot of the north slope of the ridge. This move was based upon a supposition that should there be a fault the strata of No. 4-A might be found at the new location. It was very soon found here that this was not the case. The strata pierced in No. 10 being evidently above the measures of No. 4-A, and also of No. 7 and No. 9, and No. 7 and No. 9 still above No. 4-A. This

was deduced from the fact that the shale in these holes contained many more fossil shells than the shales of No. 4-A and No. 6, and also that an examination of the surface showed the strata from No. 4-A to the northward to be dipping either northwest or northeast. In the meantime drill hole No. 8 was put down, still in the coal measures of No. 6, the records here being considered reliable, though as the hole was put down at the top of a very steep slope, just within the limit of reliability, and the coal therein barely assuming its normal condition. The Standard drill was then moved to drill hole No. 11, where hitherto unsuspected seams of coal were discovered, these measures, from surface examination, apparently underlying those of No. 4-A and No. 6.

Drill hole No. 12 was put down in the meantime with the Bravo drill to determine definitely the position of the seam known as the "Big Tree seam," from which coal for testing had been extracted, above the limestone.

The Standard drill was now moved to drill hole No. 13, in the same set of coal measures as No. 11, and geologically higher. New seams were discovered here, but neither the coal seams of No. 11 nor the underlying limestone of No. 11 could be reached with a drill of that capacity. Showing, as these holes did, a set of coal measures of unusual thickness, the Bravo drill was then taken from drill hole No. 14, then unfinished and in coal measures supposed to be those of No. 4-A and No. 6, and a series of shallow holes put down in the vicinity of drill hole No. 11. The principal result of these, No. 11-A, No. 11-B, No. 11-C, No. 11-D, and No. 11-E, was that a very heavy dip with a fold of some kind was suspected, though not yet determined, in the vicinity of No. 11, and that an entry was at once started in the seam shown in No. 11-B.

From drill hole No. 13 the Standard drill was moved to drill hole No. 15, which at this date is still unfinished, and in the same limestone, it is believed, as shown in No. 5. A table (I) is hereto appended showing costs, etc., of drill work, from which it will be seen that the time occupied in actual drilling is small compared to that consumed by delays due to caving and repairs.

EXTRACTION OF COAL AND PROSPECT WORK.

In February, 1904, it was decided, while waiting for the drills to arrive, to open up the 7-foot outcrop in Group "C," known as the "Big Tree" seam. A map of the workings is appended hereto.* Shortly after starting the western entry the coal pinched down to about 3 feet, when the eastern entry was opened, in which the coal kept up to 6½ feet almost the entire length of the working. The west entry in the meantime was continued and soon the coal thickened to 6½ feet here also. Twenty and nine-tenths feet from the mouth of the west entry a slope working was started, but at a distance of 11 feet from the beginning of this slope the coal disappeared entirely. Its disappearance was gradual and regular, beginning at the roof and moving forward to the floor without any change in the hardness or character of the coal, and the material replacing it was dark shale.

* Not printed.

These characteristics of its disappearance would indicate a want, or what was probably in the time of its formation a stream bed running through the deposit of vegetable matter, later transformed to coal. At 86 feet from this slope a second was started in which similar indications appeared at a distance of 24.5 feet from its beginning. The direction of the slope was then changed to follow the strike, where the coal still kept up to 6½ feet. In July, 1904, work on these entries was stopped, as sufficient coal had been extracted for testing purposes, and no object would be gained by continuing mining work at that elevation and distance from the shore. These entries were started on the strike and followed it, the strike changing, as shown, from N. 58° E. to S. 67° E. A table (II) showing results of the tests mentioned above is appended hereto.

Later, in December, 1904, a prospect tunnel, shown on "Map of portion of Batán Island Military Reservation, in the vicinity of Liguán," was driven in this seam to locate more definitely the direction of the want found in the first workings. This was done, as no appearances of a similar seam had been located in the drill holes Nos. 6, 6-A, 6-B, and 8. The want was struck at 96 feet from the mouth of this tunnel and showed it to be running about parallel to the strike. Upon No. 11-B showing what apparently seemed to be the large coal seam found in No. 11 so close to the surface, an entry was started in March at this location from which, up to date, about 40 tons of coal have been extracted. As this entry advanced the coal became more and more thickly interspersed by small seams of shale, the coal itself being friable, full of moisture, and not capable of standing transportation, though otherwise it was similar to that of the Big Tree seam, a continuation of which, however, it is not. These conditions, only to be expected so near the surface, soon disappeared and at date the coal is 7 feet 2 inches from roof to floor, with three partings (6 inches, 11 inches, and 3 inches, respectively) of shale dividing it into four seams of 3 feet 3 inches, 7 inches, and 20 inches, respectively. Its dip is 63° N. 70° W. It is becoming harder as the entry advances, and is similar in all respects now to that found in the Big Tree seam, including the valuable feature of that coal of standing transportation excellently. As stated, when entry was made into this seam it was thought to be the large seam shown in No. 11. Developments, however, as the entry advances, lead to the belief that, in spite of its much greater thickness, it is the seam shown in drill hole No. 11, 23 feet above the large seam. To determine this a crosscut has been started 22 feet from the mouth of the entry through the strata underlying the coal,^a and at the same time one through that overlying the coal, as drill hole No. 11 showed a small seam 10 feet above this again. Entries are now being driven in the A group of outcrops to strike the two lower seams shown in drill hole No. 4-A. As yet these have not reached coal in place, but are passing through broken strata containing only the blossom or detached coal from these seams.

^a Since this report was submitted this crosscut developed a 6-foot seam of excellent coal 35 feet from the entry, the analysis of which is as follows: Moisture, 9.53; fixed carbon, 44.86; volatile, 41.56; ash, 4.05; sulphur, 2.37; specific gravity, 1.30. The analysis of the coal in the entry is as follows: Moisture, 6.08; fixed carbon, 51.24; volatile, 40.36; ash, 2.32; sulphur, 0.4; specific gravity, 1.30.

DEDUCTIONS FROM OUTCROPS, DRILL HOLES, AND PROSPECT WORK.^a

As yet but little can be deduced from the work so far done that would not be subject to modification and revision as investigation continues. A careful examination, however, of the records of the drill holes, the outcrops of coal, the apparent dip of the strata, and the information to be had from the entries and tunnels so far opened, leads to certain conclusions, some of which may be regarded as certainties, others as probabilities, and still others as only possibilities.

Beginning with the drill holes about Group "C" we find that neither the coal nor the shales and sandstones can be relied upon to determine the continuity or dip of the coal measures; the coal, because of its known tendencies to irregularities, such as rolls, thinning out, and horses; the shales and sandstones, on account of their extremely local characteristics—a shale may change gradually to a sandstone and then to a grit, and vice versa, within very short distances. We have therefore to rely mainly upon the limestones found over and underlying the coal measures, for a determination of the particular group and of the amount and direction of the dip of that group.

Using the data of 6-A, 8, and 12, this gives us a dip of 21° N. 13° W.^b The limestone underlying Nos. 1, 2, and 4-A shows characteristics similar to that under Nos. 6-A, 8, and 12, but the data from the former give a dip of 20° N. 34° E.,^b indicating, therefore a syncline lying between Group "A" and Group "C." By carefully following the surface outcrops the limestone shown in No. 5 is found to be that underlying No. 4-A. In spite of the remarkable coincidence of the limestone underlying No. 4 checking with the calculated dip from Nos. 4-A, 1, and 2, it is believed that a fault about equal in throw to the thickness of the coal measures occurs between No. 4 and No. 4-A. This is borne out by the overlying limestone of No. 4 having the same characteristics of that underlying No. 4-A and by the abrupt change of surface indications between the two holes. Drill hole No. 15 shows the same limestone as No. 5 and an underlying set of coal measures. Between No. 15 and No. 13 no indications appear to contradict the assumption that the coal measures in which No. 13 and No. 11 are driven are those underlying No. 15 and No. 5, and are therefore also below the limestone underlying the Groups "A" and "C" coal measures.

Passing from No. 13 to No. 11 we cross the dip of the coal measures, the strata shown in No. 11 underlying that in No. 13 and apparently dipping very heavily. From No. 11 to the entry driven at No. 11-B this assumption is borne out by finding the coal indicated in No. 11-B dipping 63° N. 70° W., with some folding or irregularity between 11-B, 11, and 13, as indicated by Nos. 11-A, 11-C, and 11-D failing to show the strata of No. 11. These drill holes then show two distinct sets of coal measures, each carrying several seams of coal. This is shown graphically on the "Map of portion of Batán Island Military Reservation in the vicinity of Ligan" by means of colored washes. As a means of determining definitely the continuity of the coal beds the data from the drill holes is as yet

^a Map of portion of Batán Island Military Reservation in vicinity of Ligan.

^b See Drill Chart.

very unsatisfactory; but the appearance of two, and generally more, workable seams in every drill hole put down in the coal measures of either group, together with the continuity of the outcrops, leaves no room for doubting the continuity of the coal beds. The drill holes for two reasons are so far unsatisfactory—first, that those on the higher slopes are in ground that may be easily supposed to be more or less bent or broken from its true position, and, second, that there are undoubtedly minor folds in the strata which will necessitate the holes being put down at closer intervals to get connected results. Entry No. 4 shows the truth of the records of drill hole No. 11, and entry No. 5 at date is giving every evidence of proving the records of drill hole No. 4-A.

CHARACTERISTICS OF BATÁN COAL.

Appended hereto in Table III will be found a comparison of the Batán coals with the coals of the United States, Japan, Australia, and the Pacific coast, as shown by analyses made in the mining bureau and by data in the report of Mr. H. D. McCaskey, the present chief of that bureau, accompanying Lieutenant Markham's original report on Batán. While theoretically a comparison of analyses is a fair statement of the relative merits of two coals, the real test of a coal is its calorific value, and for practical purposes, better yet is trial under the conditions in which it will be actually used. Table II shows the results of the tests made of 100 tons of Batán coal taken from the Big Tree Seam, and attached thereto are the reports from which this table was made. From an examination of this table and the reports, it will be seen that this coal is universally satisfactory and considered preferable to any heretofore used in these islands; that it is clean, gives little ash or clinkers, and is much less injurious to boiler tubes and fire grates than Japanese coal. It keeps up steam very easily, but burns faster than Japanese coal, a fair estimate being 15 per cent greater consumption of Batán coal than of Japanese. It will be seen, further, that, the average price of Japanese coal being \$5 per ton, if Batán coal can be produced at \$4.34 per ton or less it will be cheaper than Japanese coal. The coal is jet black, of a bright luster, and is clean from all dirt. It is very hard and compact, of a hackly fracture, and with but one well-developed cleat. Its sulphur content is negligible, and no resin is found in it. In mining it is extracted in large lumps from one-half to 9 cubic feet and stands transportation excellently. In piles it shows no symptoms of spontaneous combustion.

Summing up, then, we find—

First. That there are two distinct sets of coal measures, in one of which, estimating most conservatively, at least 6 feet of workable coal in two seams will be found, and in the other at least 10 feet, also in two seams.

Second. That there is no reasonable doubt of the continuity of the coal seams, though numerous minor folds may be expected with probably some faulting, though as yet no positive evidence of this has been found.

Third. That the data at present on hand shows the probable course of both of these coal measures to be across and under the coal claims

on which the Government has an option, and continuing to the end of the reservation.

Fourth. That the coal is eminently suited for steaming purposes and is generally superior to that now used in these islands, and, as before stated, if produced at \$4.34 or less per ton is actually cheaper than Japanese coal, not to speak of the other advantages arising from its use.

PRACTICABILITY OF MINING.

It can be said at once that coal mining at this point is not only practicable, but that a combination of conditions favorable to economical mining, such as exists here, will rarely be found. In general, economical mining of coal in any locality depends on three principal features:

Facilities of transportation and ease of access to a shipping point.

Availability of timber and other materials of construction and access to supply points of machinery, etc.

Cost of labor and, where a large investment is contemplated, knowledge of the amount of mineral available and its position.

Subordinate to the above are the questions of water, facilities of drainage, thickness of seams, and ease of entry.

FACILITIES OF TRANSPORTATION AND EASE OF ACCESS TO A SHIPPING POINT.

Facilities for inland transportation at this point do not exist, and the configuration of the country is such that transportation anywhere but along the shore is impracticable. Fortunately, however, this feature is negligible, as all haulage ways and entries may be made close to sea level, thus bringing the coal at its exit from the haulage way at once to tide water. The main haulage ways should be opened at a suitable height above sea level between the village of Liguan and the present location of the office^a and about 1,000 feet from the latter. It can be driven here to cut all the coal seams in the lower set of coal measures or to run parallel to any selected one. From a point so selected it is but a haul of 300 yards to the site selected for coal-storage buildings and docks,^b and there is nothing more to the transportation problem. Better access to a shipping point could rarely be found. Consulting the map again, we see that the harbor is composed of two basins of an average depth of 17 fathoms, rising to 5 fathoms at the reef lines, the smaller and outer basin adjacent to Batán shore, where would be placed the dock, containing ample room for ships of 32-foot draft to reach the dock, and a larger and inner basin with ample room for a small fleet to lie at anchor. Both of these basins have entrances of 20 fathoms depth, which when properly buoyed afford secure navigation for ships of any draft. The great advantage of this harbor is that it is absolutely protected at all seasons from storm, and that no matter how fierce the weather no sea ever rises in which a small boat can not be handled with perfect ease

^a See "Map of portion of Batán Island Military Reservation in the vicinity of Liguan."

^b See "Partial Hydrographic Survey, Coal Harbor, Batán Island, P. I."

and safety. This simplifies the dock problem, for wave action is eliminated in its consideration, and guarantees no loss of time or difficulties in coaling.

As a coaling and shipping point it has the advantages of being but 50 miles off the direct course of vessels from the United States to Manila, and is centrally located with reference to the other ports of these islands.

AVAILABILITY OF TIMBER AND OTHER MATERIALS OF CONSTRUCTION AND ACCESS TO SUPPLY POINTS OF MACHINERY, ETC.

The entire reservation is thickly covered with almost all known varieties of Philippine woods, and timber of any kind or size is available in what for the purpose of this report may be considered inexhaustible quantities. It may be gotten down with comparative cheapness, until that covering the slopes adjacent to the sea should become exhausted, when its cost will steadily increase. But that time is so far off that there is no need of considering that feature at present.

Building limestone abounds, and coral limestone furnishing excellent lime can be had in any quantity. From experiments here it is believed that with proper handling good brick can be made from the clay which is the surface covering over all the island. Fire clay is obtainable, generally appearing as the floor of the coal seams.

As regards access to supply points of machinery, etc., this location labors under the disadvantages common to all points of the islands, but in one feature it is, I believe, ahead of any other locality. Machinery and supplies may be loaded at San Francisco or wherever purchased, shipped direct here, and upon being unloaded at the dock are practically in place.

COST OF LABOR.

For working in the mines, experienced and reliable miners, brought up in mining work under similar conditions to those existing here, and in coal of the same classification, may be obtained from Japan. From my experience with them here I can state that I have never seen harder, more industrious, or more conscientious workers than the Japanese. Their mode of life is simple and their fare frugal, nor do they require quarters of expensive or elaborate construction. Their pay for time work ranges from \$15 to \$20, with rations, to \$30, without rations, per month, and in case of mine foremen \$35 to \$40. Piecework in mining would be regulated by conditions, varying probably from 60 to 80 cents or perhaps \$1 per ton of coal delivered at haulage way.

For outside labor other than skilled, Filipinos are satisfactory and no trouble is found in obtaining as many as are required at \$10 per month and rations.

Skilled assistants, such as mining engineers, mechanics, fire bosses and foremen, draftsmen, mine accountants, and clerks, should be brought from the United States, and at higher salaries than those paid there in similar positions.

AMOUNT OF MATERIAL AVAILABLE.

For large investment there should be sufficient mineral in sight to guarantee production in sufficient quantity and over enough years to give profitable interest on the money invested and eventually, in addition, to return the original investment.

Taking the least favorable conditions here and assuming that the coal extends in the direction of its strike no farther than the area so far under close investigation (that is to say, 1 mile), and that it runs to shallow depths only (say one-half mile in the direction of its dip), we have then, on a basis of 1,500 tons of coal per foot thickness per acre and assuming 16 feet in thickness available, in one-half square mile 7,680,000 tons, and, based upon a consumption of 200,000 tons per year, a production promised covering a period of thirty-eight years. Making a reasonable supposition that the coal runs for a mile in the direction of the dip, we have then 15,360,000 tons, sufficient to last a period of seventy-six years. Extending this supposition to conform to indications of coal we then find it running to the reservation boundary, or approximately 5 miles. This gives 76,800,000 tons available, a supply for three hundred and eighty-four years.

WATER.

The lack of a good water supply is the greatest disadvantage of the location. While the annual rainfall is more than ample to provide for all needs, the slopes of the mountains are so steep and the limestone generally so easily attacked that the greater part of the rainfall reaches the sea over the surface shortly after its occurrence, or finds its way underground through channels in the limestone. In the immediate vicinity of the site selected as suitable for the erection of a mining plant there are no streams whatever, but experiment with a driven well indicates that a supply of good water (how great is not known) may be obtained by this means in that vicinity. At Tinacauan, by means of small reservoirs, 20,000 gallons or over in the extreme dry season and in the wet season 100,000 gallons daily may be collected. This is but a mile from the present office and no difficulties lie in the way of putting a pipe line between the two places. Across the channel, on Cacraray Island, a supply of 100,000 gallons daily may be collected at all seasons. This could be used for watering ships, and if necessary piped across the channel. On March 9, 1905, I forwarded a recommendation, accompanied by a map, that the area drained by this stream should be made a Government reservation.

The mines will be more or less wet and by the use of settling tanks the drainage from them may be used for some purposes.

As a final remedy for this short supply distillation of sea water can be resorted to, the supply being practically at the doors of the plant.

AVAILABLE GROUND FOR PLANT.

In the immediate vicinity of the location selected as best for the erection of a mining plant the hills rising sharply from high water, leave but little suitable ground. By examining the map entitled "Partial Hydrographic Survey Coal Harbor, Batán Island, P. I.,"

it will be seen that large reaches of ground in this vicinity are laid bare at low tide. Sufficient area can here be filled for any size plant, and this can be done at a very low cost by cutting from the hillsides, which are of soft strata. Débris from the mines can also be used for this fill.

THICKNESS OF SEAMS.

In the United States seams as thin as 20 inches are worked. Mr. H. W. Hughes, the English authority, speaks of seams as thin as 26 inches being worked in England. In Japan we find seams of 32 inches being worked.

In drill hole No. 4-A we find three seams, of 2 feet 4 inches, 3 feet 8 inches, and 2 feet 4 inches, respectively. No. 6 shows two seams of 2 feet each; No. 6-A three seams, of 2 feet, 1 foot 11 inches, and 3 feet, respectively; No. 8 shows two seams, of 18 inches and 2 feet, respectively; No. 12 shows two seams, of 10 feet 4 inches and 3 feet, respectively. In the lower group of coal measures No. 13 and No. 11 show these strata to have 10 seams, of 3 feet, 3 feet 8 inches, 2 feet, 5 feet 10 inches (in three seams in 8 feet 10 inches of strata), 2 feet 1 inch, 2 feet, 2 feet 6 inches, 13 feet 1 inch, 2 feet 10 inches, and 2 feet 9 inches, respectively. This group being highly inclined at these holes the correction for dip when known will reduce slightly the actual thickness of these seams. It may be considered, though, that in combination with others, seams of 2 feet are workable.

The conditions here seem to be well described by the following description^a of the Walsenburg coal district of Colorado:

* * * * *

There are two groups of seams affording workable coal bodies. Both lie well toward the base of the measures, and are separated from each other by a prominent bed of sandstone 30 to 60 feet thick, situated about 100 feet above the Trinidad sandstone. Both sandstones are conspicuous. The interval between them is occupied by shale, sandy shale, and thin-bedded, fine-grained sandstone.

The productive seams are not of continuous workable size throughout the district, but usually afford areas of "high coal," 4 feet or more thick, at several points along the outcrop. These areas are from one-half mile to 2 miles across the intervening areas, containing "low coal" less than 4 feet thick. Sometimes two thin seams may coalesce and produce workable "high coal" over an important area.

Not only do the seams vary in thickness from place to place, but the number of seams in a group will vary; that is, small seams present in one section may be absent in another section less than a mile distant. Want of continuity is, therefore, a characteristic of the district as of the Raton field generally. When one seam expands or thickens, there is generally parallel expansion of one or two other seams, as though there had been a local recurrence of the conditions favorable to coal formation. When the lowest seam is workable, there are commonly overlapping areas of workable coal in other seams.

^a Taken from "Mines and Minerals" of February, 1904.

* * * The lowest seam at Rouse was $6\frac{1}{2}$ to 7 feet thick. This bed thins down to 18 inches near the southern boundary, but thickens up again just south of this boundary. North as far as Walsenburg it is usually 3 feet thick. * * *

North of Walsenburg are three workable seams. The lowest, known as the Cameron, at Walsenburg, and as the Maitland, at Pictou, is 39 inches thick on the Cuchara River. It thickens north, and in the Pictou mine is 5 feet.

The Robinson seam of the Walsenburg mines lies 60 feet above the Walsen, and is $6\frac{1}{2}$ feet thick in the Robinson mine; the same at Pictou is $4\frac{1}{2}$ feet thick.

A short distance north of Pictou all three seams contract, the lower one alone affording 40 inches of coal. Toward the northern extremity of the outcrop it again expands to 5 feet in two benches, continuing so for three miles.

* * * The difficulty of separating and classifying and correlating these different seams is obvious. The character of the roof and floor material is not constant; sometimes it is shale, sometimes sandstone. The mines have a capacity of from 150 to 1,000 tons daily.

* * * * *

EASE OF ENTRY INTO THE COAL MEASURES.

From the office to Caracaran anywhere along the shore entries may be driven for extraction of coal from whatever areas the field may be blocked out into, after a method of mining to be pursued is adopted. By this means, when necessary, the production may be increased to almost any amount within a very short period of time should an emergency call for it.

As a résumé of the whole question I quote from my report of January, 1905:

As regards the entire proposition of establishing a mine and coaling station at this point, it is an ideal one. The harbor is perfectly protected, and there is not an hour in the year in which loading can not be carried on. Deep water (32 feet) is but a short distance from shore. Transportation of coal from mine to wharf is but a short distance, under the most unfavorable results being no more than a mile, and with the present outlook will be but 400 to 600 yards. Timber of all kinds in any quantity is at hand. Rock for construction purposes is also to be had in abundance. Docks and coal-storage buildings can be constructed comparatively cheap.

VALUE OF MINE AND COALING STATION TO THE GOVERNMENT.^a

Passing over without comment its military value in time of war, when the entire coal supply, not only of the Army and Navy, but of the whole islands would probably be among the first things cut off, we will take up its value as a money-saving proposition to the Government.

As a money-making proposition the civil government only can have an interest in it, and then in an indirect way.

The persistency with which failure followed upon the investment, during Spanish times, of capital in coal-mining enterprises will always act as a deterrent to investment of capital until the black eye

^a See map of Luzón Island and San Bernardino Straits.

thus given this industry can be healed. The successful operation of a coal mine by the Government, or even of its announced intention of operating one, will undoubtedly do this, and thus be of advantage to the islands in general.

From a study of the coal mining history of the Philippines, failure was not due, it is believed, to lack of that mineral, but to improper methods of exploitation or discouragement when on the eve of success.

A naval officer of Admiral Stirling's staff, with whom the use by the Navy of the Batán coal was discussed, stated to me that if this coal proved as good as it was reported to be, that he saw no reason why in time of peace it could not be advantageously used by the Navy. It would be necessary, however, he said, to maintain on hand a supply of the Virginia coal (for use in time of war), used at present exclusively by the naval vessels on this station. This on account of the greater steaming radius given by the latter coal, bulk for bulk, as compared with the Batán coal. We may therefore assume that the production from mines at this point would be consumed by the Army, Navy, and Civil Government.

The consumption by these three departments is as follows:

	Tons.
Quartermaster's department, fiscal year 1904.....	122, 709
Navy, calendar year 1903.....	54, 115
Civil Government, calendar year 1904.....	40, 000
Total	216, 824

While the quartermaster's department expects to reduce its consumption in 1905, the civil government expects to increase theirs.

As a basis for calculation we may therefore assume 200,000 tons as the annual production that would be necessary.

With a modern mining and coal loading plant in operation at this station coal may be placed on board ships at docks at \$2 per ton.^a Five dollars may be assumed as a low average cost of coal at Manila to the quartermaster's department. Based on the above values, the following figures speak for themselves:

Cost of 200,000 tons per year for coal delivered at Manila, at \$5.....	\$1, 000, 000
Cost of mining 200,000 tons per year and delivering same on board ship at docks, at \$2.....	\$400, 000
Cost of delay to transports (see statement below).....	30, 000
	430, 000
Difference in favor of operating mines and coaling station.....	570, 000

Assuming the operation of a mine here, the figures below give a comparison of the values of Manila and Batán as a coaling station.

Freight from Legaspi to Manila is at present \$3 per ton, but a reasonable rate of \$1.25 will be assumed in these calculations. It will also be assumed that only 80 per cent of the production would be shipped to Manila, the balance being used by vessels touching here.

^a A liberal estimate covering all costs, which it is believed will be much below that figure.

MANILA AS THE COALING DEPOT.

80 per cent of production shipped to Manila, 160,000 tons, at \$1.25 per ton freightage-----	\$200, 000
Cost of loading and delivering 160,000 tons (loading into colliers at Batán, modern loading docks not being installed, 19 cents per ton; transferring to storage or colliers in Manila Bay, 19 cents per ton; transferring from storage or colliers to ships, 19 cents per ton)-----	91, 200
Total cost per year for shipping, loading, and delivering-----	\$291, 200

BATÁN AS THE COALING DEPOT.

Cost of coaling 160,000 tons (assume cost of coaling 10 cents per ton).....	\$16, 000
Large transports diverted from regular route would steam an additional 100 miles and lose twelve hours (expense of transport, \$1,000 per day; cost of delay for large transport, \$500); cost of delay per year-----	6, 000
	\$22, 000
Small transports diverted from regular route would steam an additional 200 miles and lose twenty-four hours (expense of small transport, \$200 per day; 5 transports, coaling twice a month, gives \$24,000); cost of delay of small transports per year-----	\$24, 000
	\$46, 000
Difference per year in favor of mines as coaling station-----	\$245, 200

In closing this report I wish to invite attention to extracts appended hereto from the last two weekly reports of Mr. Warren D. Smith, geologist, Mining Bureau, and particularly to acknowledge the indebtedness which this office is under to the Chiefs of the Bureau of Engineering and the Bureau of Mining, who have aided me materially by assistance direct from their bureaus, and who have at all times courteously offered the loan of anything their bureaus could furnish which I was in need of.

Respectfully submitted.

H. L. WIGMORE,
First Lieutenant, Corps of Engineers, in Charge of Mines.

[Extract.]

Mr. H. D. McCaskey,
Chief of Mining Bureau, Manila, P. I.

DEAR SIR: My chief report for the past week, the one ending April 8, is that conditions here look much better than they appeared to me after one week's examination, and I can unhesitatingly say that there is coal here of good quality and in fair quantity, sufficient, I believe, to warrant the Government in its past expenditures and in future appropriations.

Respectfully, yours,

WARREN D. SMITH.

[Extract.]

Mr. H. D. McCaskey,
Chief Mining Bureau, Manila, P. I.

DEAR SIR: During the past week, ending April 15, I have continued my traversing of the island of Batán, this time keeping more to the stream beds. Two days were spent in traversing, with prismatic compass, the main stream

of the Island, Caracaran River, which heads about in the central and western portion and flows southeast to the sea. Along its bed, for there is no running water now, I was able to procure a number of dips of the strata. With the exception of some very irregular limestone beds during the first one-fourth mile from the mouth, the stream cuts across alternate beds of sandstone and shale, in places at right angles to the strike, at others following the strike. While I found carbonaceous shale with minute coal seams and leaf impressions whose aspects are quite modern, I found no coal of workable thickness anywhere along this river bed.

Two other days were spent in traversing in the same manner a stream running in a northeast direction and emptying into the sea at a point just east of the barrio of Galicia, which is on the bay just west of Gaba Bay. Sandstone and shale were the only strata encountered in this stream bed. The dip in both streams, which altogether give a fairly continuous section from south to north across the Island, are almost invariably northwest and northeast. Two south-east dips were found; but these were due, doubtless, to minor cross folding and do not modify greatly the configuration of the island.

The coal here at the post is showing up better and better each day, but it is slow work and necessarily so. I believe the coal to be continuous over sufficient areas to be worth working, and analyses have shown its quality. The other advantages are that it can be mined almost at sea level, there is any amount of timber available and close by, and there is good harborage. The great question will be that of labor, for which I believe the Japanese will prove best.

At the Calanaga mine, on the north coast, the Japanese contractor, Mr. Ikeda, said he got 2.50 pesos a ton for the coal at the mouth of the tunnel, from which his profits are about 10 cents (United States currency) a ton. He has the contract for mining the coal and has nothing to do with it after that. He also said it cost the Spaniards about 4 pesos per ton to get the coal on the dock, including the cost of mining (however, there is no dock yet). You can see the chief expense is in getting the coal down to the level after it is mined. This expense could, I believe, be largely obviated here at the post by mining from sea level, the interior work being quite largely "overhand" or stoping.

* * * * *
Respectfully, yours,

WARREN D. SMITH,
Geologist, Mining Bureau.

OFFICE WATER TRANSPORTATION,
Manila, P. I., June 29, 1904.

Capt. H. L. PETTUS,
Quartermaster, U. S. Army, in Charge Office Water Transportation.

SIR: I have the honor to forward to you reports of trial tests made of Batán coal on the following-named transports and launches: *Wright*, *Liscum*, *Sacramento*, *Chu-Kong*, *Custer*, *Boston*, *Taal*, and *Logan*. Owing to the bad condition of the *Wright's* boilers when test was made, this can not be considered as a fair test of the coal. The tests made by the U. S. Army transport *Liscum* and U. S. chartered transport *Chu-Kong* were made under the best conditions. I tried the Batán coal on the launches *Taal* and *Logan*. Compared with good Japan coal the consumption of Batán is from 10 to 15 per cent greater, while the percentage of ashes is from 7 to 20 per cent less. Good steaming results were obtained with the Batán coal with very little working of fires, and the amount of soot thrown off was very small. The fires were entirely free from clinkers, which shows the absence of sulphide of iron and sulphate of lime. Sulphate of lime has no heating value whatever. The heating value of sulphide of iron is very small. It is my opinion that the quality of this coal will greatly improve as a greater depth in mine is accomplished and older deposits found.

Respectfully,

D. C. HILLMAN,
Superintending Engineer.

QUARTERMASTER DEPARTMENT, OFFICE WATER TRANSPORTATION,
Manila, P. I., April 5, 1904.

Capt. H. L. PETTUS,
*Quartermaster, U. S. Army,
 In Charge Water Transportation, Manila, P. I.*

SIR: I have the honor to make the following report in reference to the "Batán coal," which was used by the launch *Boston* on the voyage from Batán Island to Manila, P. I. Compared with the Japan coal, it is much better steaming coal. The amount of waste, or ashes, is very small, and coal does not clinker. The Batán coal burns very fast, the consumption per hour being much greater than Japanese coal.

Respectfully,

H. S. BRUNN,
Master Launch Boston.

[Report from Chief Engineer Beach, of the *Palawan*.]

Weight of coal used in getting up steam to the usual steaming pressure from cold water?

We were under steam pressure all the time we had Batán coal on board.

Weight of Batán coal burned in sixteen hours steady steaming was 12,800 pounds. We carried 110 pounds pressure and steamed 8.5 knots per hour.

Weight of ashes and clinker from the above Batán coal burned in sixteen hours was 1,554 pounds.

Weight of coal (Japanese or Australian) burned in sixteen hours steady steaming was 9,200 pounds.

Steam pressure carried was 110 pounds; knots steamed per hour, 8.5.

Weight of ashes and clinker of the above coal was 1,870 pounds.

The horse power of boiler is about 550; grate area, 55.5 feet; number of boilers, 1.

Soot from the Batán coal is lighter in color and only one-third as much as from the coal we have been using.

The smoke is of a light brown, not so dense as the coal we have been using.

There are no clinkers formed in Batán coal.

The boiler tubes will run much longer than with the coal we have been using.

I found that firing heavy and at long intervals was the best.

Total Batán coal used, 62,980 pounds; 52,200 were used while steaming; 10,780 were used in banked fires.

Total amount of ashes was 7,017 pounds, or 11 per cent.

Total time under way with Batán coal, sixty hours and seventeen minutes.

*Coal efficiency report, War Department, Army Transport Service, U. S. Army
 Transport Chu-Kong.*

[Date of coaling May 21, 1904.]

1. Trade name of coal Batán.
2. Where received Manila.
3. From whom procured Quartermaster's Department
4. Price per ton [No answer.]
5. General appearance as to lump, slack, and impurities, and percentage of lump Fairly lumpy; 50 per cent.
6. How long stored at place where procured Don't know.
7. From under cover or not Don't know.
8. Was the coal dry, damp, or wet when stowed Don't know.
9. Length of trial reported on 60 hours.
10. Condition of boilers in use Good.
11. Tried with forced or natural draft Natural draft.
12. Was the draft good, fair, or poor Good.
13. Area of grate surface in use 33 square feet.
14. Per cent of refuse (weighed dry) 5.24 per cent.
15. Were the clinkers large in size or quantity Quantity.
16. Was the work at the fires excessive on account of their being dirty No.
17. Was the soot formed excessive in quantity No.
18. How often necessary to sweep tubes Once in 60 hours.
19. Is this coal suited for forced draft Yes.
20. Any undue heating of smoke pipes or uptakes No.

21. Was the smoke dense, or dark in color, or easily dissipated Easily dissipated.
22. Pounds of coal consumed per hour 580 pounds.
23. Knots made per ton of coal consumed for all purposes 83 knots.
24. Average indicated horsepower of main engines. 200.
25. Estimated horsepower of auxiliaries in use 10.
26. Pounds of coal consumed per horsepower (total main and auxiliary) per hour 1.45 pounds.
27. Revolutions of main engines per minute 200.
28. Average speed in knots per hour 8½ knots.
29. How long ship out of dock 9½ months.
30. Condition of ship's bottom Fairly dirty.
31. Estimated effect in knots per hour of wind, sea, and sails upon speed (Increased — knots.
Decreased — knots.)

Remarks: Excellent. I can recommend this coal to the following extent as being a first-class steaming coal, and with such a small percentage of ash; also only having to clean fires once every eight hours.

SYDNEY S. MILLS, *Chief Engineer.*

Tests of Japanese and Batán coal.

First. With reference to Japanese coal:

- (a) Weight of coal used in getting up steam to the usual steaming pressure—for example, 110 pounds from cold water—640 pounds.
- (b) Time of getting up steam as above—eight hours.
- (c) Weight of ash from coal burned as above—134.5 pounds.
- (d) Weight of coal burned in six hours' steady steaming under the usual steaming pressure—for example, 110 pounds—4,236½ pounds.
- (e) Weight of ash from coal so burned—889.56 pounds.

Second. With reference to Batán coal:

- (a) Weight of coal used in getting up steam to the usual steaming pressure—for example, 110 pounds from cold water—530 pounds.
- (b) Time of getting up steam as above—7.5 hours
- (c) Weight of ash from coal burned as above—31.8 pounds.
- (d) Weight of coal burned in six hours' steady steaming under the usual steaming pressure—for example, 110 pounds—3,570 pounds.
- (e) Weight of ash from coal so burned—676 pounds.

Third:

- (a) Horsepower and number of boilers and grate area of same—boilers, 2; I. H. P., 212.48; 45 square feet.
- (b) Relative quantity of soot given off by the two coals—Japanese, 10 per cent; new coal, 2 per cent.
- (c) Relative amount of smoke and colors of same—very little smoke and very light.
- (d) Whether clinkers are found in Batán coal, and if so, relative amount of same—none.
- (e) Does Batán coal necessitate more or less frequent cleaning of tubes than Japanese coal—less.
- (f) What kind of firing gives the best results, light and frequent, or in large quantities and long intervals—just average fires, say 4-inch fire.

The Batán coal is far superior to the Japanese coal in every respect. On a trial of sixteen hours there was no soot to speak of, and it gives fine heat and there are no clinkers at all; it burns well. The ash and refuse are very light. It is by far the best coal I have used in the Philippines. It is excellent.

Respectfully submitted.

J. P. DICKINSON,
Chief Engineer, Sacramento.

TABLE II—Continued.

	Weight of ash from coal burned in previous column.				Indicated horse- power.	Pounds of coal per horsepower per hour.	
	Japanese.		Batán.			Japanese.	Batán.
	<i>Lbs.</i>	<i>P. ct.</i>	<i>Lbs.</i>	<i>P. ct.</i>			
Custer	630.00=	42.4	400=	16.5	75.00	8.24	5.417
Sacramento	889.56=	20.9	476=	13.5	212.48	8.527	2.809
Liscum	900.00=	10.0	424=	4.2	1,000.00	1.5	2.33
Chu-Kong			280=	7.3	200.00		1.66
Palawan	1,870.00=	20.3	1,554=	10.9	550.00	1.04	1.45

	Smoke.		Relative quantity of soot.		Clinkers.	
	Japanese.	Batán.	Japanese.	Batán.	Japanese.	Batán.
Custer		Very light and dark lead in color.	<i>Per cent.</i>	<i>Per cent.</i> 50		None.
Sacramento		Very little and very light.		25		Do.
Liscum	Dense	Light	About the same.			Do.
Chu-Kong						8 m s l l amount.
Palawan	Dense	Light		38		None.

	Relative amount of tube cleaning required.		Relative consumption of coal.		Remarks.
	Japanese.	Batán.	Japanese.	Batán.	
Custer		Less		<i>Per cent.</i> + 65.7	These figures seem so excessive, compared to those of other tests, that full weight is not given them.
Sacramento		do		- 15.7	
Liscum	About the same.			+ 11.0	Rate of total consumption of Batán coal, 1,850 pounds per hour.
Chu-Kong					Rate of total consumption of Batán coal, 580 pounds per hour. Suitable for forced draft. No undue heating of smoke pipes.
Palawan		Tubes run much longer than with Australian.		+ 39.0	Out of 62,500 pounds of coal used 11 per cent ash was obtained.

*As reported by master.

From the table it will be seen that the ash to be handled by the stokers is from 6 to 26 per cent greater from Japanese coal than from Batán coal; that the coal to be handled by the stokers is about 15 per cent greater for Batán coal than for Japanese coal; that soot given out by the Batán coal is from 25 to 50 per cent less than that given out by Japanese coal; that Batán coal leaves practically no clinkers, gives very little smoke, that of a light color, and that tubes require much less cleaning when Batán coal is used.

The average cost of Japanese coal to the Government has been \$5 per ton.

Assuming a 15 per cent greater consumption of Japanese coal, if the Batán coal can be gotten out at \$4.34 or less per ton, its steaming value, ton for ton, increases over that of Japanese coal as the cost price decreases below that figure, not counting its other advantages shown above.

TABLE III.

Name of coal.		Moisture.	Fixed carbon.	Volatile matter.	Ash.	Sulphur.	Color of ash.	Specific gravity.
Batán	San Francisco outcrop	6.90	40.00	36.90	16.20	0.33	White	1.368
	Big Tree seam	5.30	44.50	41.20	8.50	.42		
	do	6.00	44.00	42.20	7.80	.44		
	D. H. 4-A No. 1, 3 feet 8 inches. ^a	5.74	48.88	39.98	5.70	.06	Yellow	1.57
	D. H. 4-A No. 2, 2 feet 4 inches. ^a	5.82	52.40	40.29	1.49	.66	Orange	1.58
	D. H. 4-A No. 3, 1 foot 2 inches. ^a	5.17	45.91	41.28	7.64	.96	Brown	1.64
	D. H. 4-A No. 4, 1 foot 3 inches. ^a	5.47	44.51	40.28	9.79	2.17	Gray	1.58
	D. H. 4-A No. 5, 1 foot. ^a	5.89	45.04	39.68	9.39	.97	Brown	1.67
	D. H. 4-A No. 6, 2 feet 4 inches. ^a	5.83	43.82	40.16	10.19	2.60	Gray	1.57
	D. H. No. 11, 13 feet.	4.53	46.96	45.89	2.62	.59		
	D. H. No. 13, 3 feet 8 inches (sample No. 16).	5.08	47.15	40.82	7.00	.45		
	D. H. No. 13, 2 feet (sample No. 17).	5.10	44.20	45.86	4.84	.18		
	D. H. No. 13, 2 feet 8 inches (sample No. 18).	5.08	50.81	42.03	2.58	.25		
	D. H. No. 13, 1 foot (sample No. 19).	5.39	48.28	36.23	10.10	.26		
	D. H. No. 13, 2 feet 2 inches (sample No. 20).	5.38	51.96	39.62	3.04	.11		
	D. H. No. 11-B, 7 feet 1 inch (sample No. 21).	5.62	54.42	38.68	1.28	.14		
	D. H. No. 11-B, 3 feet 5 inches (sample No. 22).	4.88	43.09	45.47	6.56	.12		
Japanese	Kishima (used by Quartermaster's Department).	2.00	42.60	41.70	13.70	2.60	White	
	Coal shipped this station.	2.40	47.00	39.40	11.90	2.10	do	
	Pile at Government ice plant, December, 1901. ^b	1.19	54.23	31.22	10.73	Not separated.		
Australian Lignite	Sold in Manila.	1.22	55.67	33.15	8.53	do		
	Golden City, Colo. ^b	13.43	45.57	37.15	3.35	do		
	Carbon, Wyo. ^b	6.30	49.72	35.48	8.00	do		
	Evanston, Utah. ^b	8.10	47.67	34.80	9.67	do		
	Murphys, Colo. ^b	13.83	44.44	35.88	5.83	do		
	Marshall mine, Boulder, Colo. ^b	3.00	43.50	41.50	12.00	do		
Philippine Islands.		16.00	41.50	38.00	4.50	do		
	Van Dyke, Wyo. ^b	8.12	53.23	36.85	2.00	do		
	Mount Uling, Cebu.	17.30	34.67	44.51	3.53	do		
	do	9.30	48.64	39.24	2.81	do		
	Compostela, Cebu	8.83	52.78	35.10	3.28	do		
	Danao, Cebu	8.96	52.92	35.11	3.00	do		
	Alapa, Cebu	13.35	43.73	42.20	.71	do		
	Calatrava, Negros	19.23	39.91	32.37	8.39			
	Kabangalan, Negros	15.03	44.67	33.50	6.79			
	Zamboanga, Mindanao	4.64	55.19	38.28	1.78			
Bituminous.	Clearfield, Pa.	8.43	82.04	11.50	4.96	.676		
	do	1.08	76.68	13.00	8.43	2.29		
	Webster, W. Va.	1.25	65.16	28.74	3.68	Trace.		
	Kanawha, W. Va.	2.15	59.35	30.98	4.92	.007		
	Graham Island, W. Va.	2.71	57.60	30.98	6.37	.107		
	Hokaido, Japan.	1.35	61.42	40.60	4.58	Trace.		
	Wallsend, Australia	2.45	56.45	33.40	7.70	.699		

^aNoncoking.

^bFrom Table II, of H. D. McCaskey's report of January 10, 1902.

**EXTRACT FROM THE REPORT OF THE SECRETARY OF WAR
FOR THE YEAR 1905.**

WAR DEPARTMENT,
Washington, D. C., December 9, 1905.

To the PRESIDENT:

* * * * *

BATÁN COAL FIELDS.

On June 11, 1903, the War Department completed an option on certain coal claims in the western end of Batán Island, held by two Spaniards, Emilio Muñoz and Martín Villanueva. At the same time the western half of the island of Batán was withdrawn from sale and occupancy and declared a civil reservation, with the idea of later making a military reservation out of it.

The coal deposits in this island had early been investigated by Lieut. E. H. Markham, Corps of Engineers, and were found to be the most satisfactory of all the coal deposits in the islands, from general appearances, for the Government to investigate with a view to mining its own supply of coal. Lieut. H. L. Wigmore, Corps of Engineers, was ordered to investigate and open up the coal deposits in this island, and the investigation disclosed that the coal was sufficient in quantity and good enough in quality for general steaming purposes.

After two years' exploratory work it was found that the coal was not only sufficient in quantity but of superior quality to that now used by the Quartermaster's Department, the greater part of which comes from Japan and the remainder from Australia. While the extent of the deposit in the direction of the dip has not been fully determined, the outcrops have been traced throughout the reservation, a distance of some 5 miles. Borings by diamond drill showed the seams to be continuous to the depth reached by these drills, which was about 200 feet below sea level.

Some 35 feet of coal in seams running from 18 inches to 10 feet in thickness were developed, and as yet the bottom of the coal measures has not been reached, but the investigations having shown that coal undoubtedly exists in sufficient quantity for the Government use, work was stopped. Sufficient coal, however, was mined for a test on the Government transports to show that the coal is superior for steaming purposes to that used, and that a great saving can be effected by opening up these deposits.

About \$1,000,000 are spent annually in the Philippines for coal by the three Government branches, none of which goes to either the United States or the Philippines but to Japan and Australia. It is estimated that fully \$500,000 annually would be saved by mining our own coal in the Philippines.

The claims of Muñoz and Villanueva, while occupying only a small part of the reservation, are so situated that they cover the best entrances to the deposits, and in order that economical mining may be effected it is necessary to buy these claims. An estimate of the value of the coal lying in these claims, based on a 15 cents per ton royalty, makes the value of the coal in these claims about \$250,000, though the United States holds an option on them at \$50,000.

These options under the original contract expired June 11, 1905, but their extension was secured until March 1, 1906. The importance of buying up the options can not be overestimated. It is necessary therefore to ask Congress for an appropriation of \$50,000, to be rendered immediately available, for the purpose of purchasing the above-mentioned claims. In order to secure the working of these mines for the benefit of the United States and Philippine governments, authority should be given to the Secretary of War to lease the coal fields for twenty-five or fifty years on terms by which the two governments may receive their coal at a very low price. This might be done after public advertising and receipt of bids.

* * * * *

**ADVANCE REPORT TO THE CHIEF OF THE MINING BUREAU
UPON THE COAL DEPOSITS OF BATÁN ISLAND, BY W. D. SMITH,
GEOLOGIST, MINING BUREAU. (AUGUST 12, 1905.)**

DEPARTMENT OF THE INTERIOR,
MINING BUREAU,
August 8, 1905.

Mr. H. D. McCaskey,
Chief of the Mining Bureau, Manila.

SIR: Pursuant to instructions received from you on my return from field work on the coal deposits of Batán Island and vicinity, I have the honor to submit herewith a detailed report on a portion of the work. It is the plan to deal largely with the economic phases in this part, supplementary chapters on the paleontological and petrographical aspects of the work being added as that work is completed, when the whole will be embodied in a bulletin of this Bureau.

ACKNOWLEDGMENTS.

The writer wishes to make acknowledgments at this time to the following: The United States military authorities in the Philippine Islands for permission to use the valuable data obtained by First Lieut. H. L. Wigmore, Corps of Engineers, U. S. Army; Lieut. H. L. Wigmore for much assistance in the field and office and many personal courtesies; Mr. O. H. Halvorsen, former superintendent of explorations, for much valuable data; Mr. H. D. McCaskey, chief of this Bureau, for many valuable suggestions, and also to Mr. A. J. Evland, geologist; Mr. Maurice Goodman for assistance with the maps. First-class Private John R. Yeager assisted in the active field work. Pedro Sanches, an intelligent and willing Bicol, was of great assistance as interpreter, cook, etc.

FIELD WORK.

The purpose of this field work primarily was that of lending assistance to Lieut. H. L. Wigmore, Corps of Engineers, U. S. Army, in his exploratory work on the United States military reservation on Batán Island. As the work progressed and the country looked over, it was soon seen that work of a more comprehensive nature could be taken up with considerable profit to those interested in the mineral resources, besides many features of a purely scientific interest as well.

The final report on this area will discuss all these features more fully than can be done at this time. Coal for the present will be the dominant subject.

The area covered was the entire island of Batán, with trips around the coast and across the island of Rapurapu, Cacraray, and the "mainland" in the vicinity of Sugot Bay, Mayón Volcano, and Tibi Hot Springs for purposes of correlation and exploration.

GEOGRAPHY.

Batan Island, in the province of Albay, lies slightly northeast of Legaspi about 12 miles, and due east of Mayon Volcano, and is bounded on the west by Cacraray Island, east by Rapurapu Island, is bisected by the one hundred and twenty-fourth meridian, and is between $13^{\circ} 10'$ and $13^{\circ} 20'$ north latitude. The island has a very irregular coast line, but its greatest east and west line is 13 miles long, while along its greatest north and south line it measures only $4\frac{1}{2}$ miles. Sixty-one and three-fourths square miles would be much too large an estimate of the area, and taking into account the numerous bays and inlets it would seem that 45 square miles would be a fair estimate.

There are no roads and only a few trails on this island; the streams small and intermittent; the chief barrio is Batán, situated on the coast at the southeast end of the island. This barrio and a score of visitas* along the coast all come under the jurisdiction of the pueblo of Rapurapu.

The island is coral-girt, but happily there are breaks in the reefs, so that ocean-going vessels can come close in, as at Coal Harbor, between Cacraray and Batán, within 100 yards of the shore. Launches drawing 6 to 10 feet of water can pass around three-fourths of the island, but can not clear the reefs in Cacraray Passage, and at low tide it is difficult even for shallow barotos.

All these features are shown on the large scale map of the island, compiled from maps of the Coast and Geodetic Survey, by the corps of engineers, under the direction of Lieut. H. L. Wigmore, Lieutenant Markham, and the geologist in charge of geological survey of the district.

The best harbor facilities at Batán, and for that matter anywhere along the east coast of Luzón for 100 miles, are undoubtedly those afforded at Ligan on the west end of the island. Here an anchorage perfectly sheltered from any strong winds can be obtained in 17 fathoms, with a mud bottom, and this within the limit to which it would be feasible to erect a dock. The average tide amounts to about 3 feet, but gets as high as 7 or 8 feet in the spring and at the time of full moon.

GENERAL.

The climate is considered, by those who have lived there any length of time, as good as the most favorable spots in the islands. During the progress of the field work there was always a breeze from the sea, which made it very comfortable whenever the party was fortunate enough to be near the coast. The nights were invariably cool, a blanket being necessary most of the time. Mosquito bars may be dispensed with almost entirely. Attached is a table (Table I) compiled from the monthly reports of the Legaspi meteorological station.

* Villages.

VEGETATION.

At first sight Batán Island seems to be vegetation and nothing else, and when one sets out to trace outcrops he is not quickly disillusioned. From the shore or the sea not an outcrop can be seen, so thick is the undergrowth. The principal trees are red Narra (*Pterocarpus indica*), some of which reach a height of 150 feet, Molave, Doa, and Bejuca on the higher ground; in swampy estuaries, Bacauan (*Bruguiera caryophyllacoides*) and Bacagua. On the east ridge, running from Calanaga Bay to East Point, which is underlain by volcanic rock, a few scattered jack pines, Tapulao (*Pinus merkusii*), are to be seen. With the exception of this ridge the undergrowth is exceptionally thick, requiring the continued employment of bolomen.

The red Narra, which is to be found in great abundance all over the island, affords all the timber for mine timbering and buildings that will ever be required.

The most striking looking tree encountered in these wild spots is by far the Doa, which starts up from huge buttresses to a height of 150 feet and in some cases nearly 200 feet. The effect produced on one as he suddenly breaks through the jungle and comes upon one of these monarchs is akin to the sensation felt when one has walked for hours through stuffy city streets and comes suddenly upon a great cathedral.

For the most part the population is confined to the coast, and is made up almost entirely of Bicol, a tribe which is found throughout Sorsogón, Albay, and Ambos Camarines in great numbers. These people are distributed around the coast of the island in about a score of visitas averaging six to ten families in each. Batán, the largest barrio, has, according to the Teniente,^a 80 men, which may be taken to mean nearly that many families. Taking into consideration the isolated dwellers in the hills, some of whom are Igorrotes, a fair estimate of the total native population of the island would be 2,000. Besides these there were at the time of our visit some 30 Japanese miners at Calanaga Bay and a detail of about 15 American soldiers at Liguán, under the charge of Lieut. H. L. Wigmore.

The natives were found to be peace-loving people, kindly and thrifty compared with other tribes living close to the large cities. Their chief occupation is that of fishing, for which they make use of immense corrals constructed out of bamboo and rattan. These people treated our party at all times with respect, and did all they could to help us. Among the most pleasant experiences had during the season were the stops made at the various barrios, where we were invited to bailes and other social functions. Many pleasant evenings were spent teaching these people the idiosyncrasies of the English language. In the majority of cases Spanish was the medium of intercourse, but English is making rapid advance in the favor of the people.

HYDROGRAPHY.

Very little can be said in favor of the water supply of the island of Batán. At the time of our work there was no running water to

^a Headman of the village.

speak of in any stream of the island. The largest water course is that of the Caracaran River, which drains the greater part of the western half of the island and debouches into the bay of the same name on the south side and midway between the east and west extremes of the island. The Mosaga, which reaches Rapurapu Straits about halfway between San Ramón and Batán, was found to have a fair quantity of water but almost no current.

The water for all drinking, toilet, and cooking purposes was obtained from a spring on Cacraray Island, across Coal Harbor from Ligan. (See large map.)^a For drilling purposes all the water had to be pumped or hauled up by carabaos from sea level. This constituted some of the chief items of expense in the work carried on by Lieutenant Wigmore.

The small size of the island and comparatively low elevation mean lack of large feeding areas for streams. This, coupled with the broken and porous nature of the limestone formations, militates against the collection into any one large water course of a great quantity of water. This will be one of the drawbacks to exploratory work with diamond drills in this area.

TOPOGRAPHY.

Topographically, Batán Island is quite rugged and broken, and for its size appears to be very mountainous, though none of the elevations rise to more than 1,400 feet. By Coast and Geodetic triangulation Mount Viscaya, 1,330 feet, was found to be the highest point, but even this is too high, for their observations were taken from a boat and the tops of trees used instead of the actual surface, which is obscured by the dense vegetation.

By inspection of the map it is seen that the high land is adjacent to the coast and that the interior is low. Along the United States Military Reservation boundary, from Caracaran Bay to Gaba Bay, it is everywhere under 200 feet. Also it can be seen that the greatest elevations are bordering the southern shore. The reason for this is that the hills are here largely limestone, while to the north they are composed generally of soft sandstone and shales. However, Mount Bilbao is an exception. The eastern end of the island is quite generally lower than the western half. One of the most striking features topographically on Batán Island is the long bare ridge extending from Calanaga Bay eastward to East Point. This will be referred to again and explained.

The topography of the remainder of the Mayón quadrangle will not be discussed now, as it will be reserved for a later report.

GENERAL GEOLOGY.

In general, the region comprised within the area of the Mayón quadrangle is volcanic and all of a recent age. Batán, however, is composed largely of sediments, somewhat complexly folded, but with a general northward dip at an angle of about 20°, resting, in a portion of the island at least, upon a basement of igneous rock. Fossils from the various formations on Batán Island point to the age as

^a See "Partial Hydrographic Survey, Coal Harbor, Batán Island, P. I."

extending from the Eocene through the Pliocene and even the Pleistocene. Coral fragments, not greatly unlike the living species, were found in drill cores from 300 feet below sea level and in the limestone capping to the hills 1,000 feet in elevation.

On Batán Island there appear to be three distinct sets of limestone and three sets of coal measures, and another series of shales and sandstones alternating, running along the north side of the island. These are the barren measures. There is a long, bare ridge on the east end of the island which is a solid mass of dolerite overlain by the remnants of an iron formation. This dolerite barely emerges above sea level in two other places on the island, near the barrio of Caracaran, where it protrudes in a tonguelike mass about 50 feet high and 100 feet across at its base.

Coralline limestone caps the hills, while the valleys and caves are in the softer formations.

It has been said that the strike of the beds is in general east and west, but locally the strike and dip changes, owing to a secondary cross folding which has made local anticlines in the strata. For instance, the high point in the vicinity of Liguán and the Government post is the summit of a roughly domed mass of strata produced by folding along two directions—north and south, and east and west; ridges and spurs, generally speaking, indicate limestone, while the caves and inlets invariably are formed in the softer shales and sandstones where local synclines or monoclines occur.

Cacararay Island, to the west of Batán, is not greatly different from Batán Island geologically, though no coal has been found on it up to this time. It is practically covered with rugged cavernous limestone through the southern half of the island, while on the northern half of its west coast bordering Sula Pass the formation is igneous and apparently the same rock found on Batán. This passes into a gneiss as we go northward. In general, the strata of limestone and sandstone dip to the northward at an average angle of 20°.

Rapurapu Island is quite different from the others, being almost entirely made up of crystalline schists whose strike corresponds to the east-west orographic trend of the island. They have a dip of 20° S. 10° W. At its western extremity, Point Baybayon, the same dolerite was again encountered with large boulders of iron ore above it; and passing eastward along the coast the dolerite was found to be replaced by a lighter rock which we have at the present time classified as "diorite." It is this diorite that has been made schistose in the orogenic movements in which the island was given birth; and also, this schistose diorite is the home of auriferous quartz.

Coming now to the adjacent region on the Albay coast, we find in the vicinity of Sugot Bay an area of stratified deposits, including coal measures, which are a continuation, it is believed, of the deposits on Batán Island. From this point northward to the Camarines the geology adjacent to the coast is that of recent volcanism, as witnessed by the following extinct and active cones: Mount Heilprin, 3,606 elevation, between Bacon and Legaspi; Mayón, 7,943, near Daraga; Mosaraga, west of Tobacco, 4,387, and Mount Molinao, 5,436, just back from the coast near Tibi. All of the volcanoes are, with the exception of Mayón, and it is dormant, apparently extinct. From a rapid examination of parts of this highly interesting area, the

sequence in the lava flows appears to have been rhyolite, trachyte, and basalt, or from acid to basic. The great eruption of 1814 was marked by flows of basalt and showers of basic lapilli and ashes.

In the year 1900 was the last pronounced demonstration by Mayón, and at that time the main highway between Legaspi and Tobacco was partly obliterated by a flow which reached the sea near the pueblo of Libog.

We shall leave this interesting chapter with these incomplete statements for the present, for the reasons that this preliminary report is to deal primarily with the economic phases of the field work, and further work of a more purely scientific nature is contemplated for the near future and will be embodied in a separate bulletin from this bureau on the Mayón quadrangle.

On Catanduanes Island, situated about 18 miles to the north of Batán, coal deposits have been reported from the vicinity of Ilacaong, while the central portion of the island is said by Lieutenant Kirkman, of the Eighth Cavalry, U. S. Army, to be made up of metamorphic rocks, and that in the schists, auriferous quartz veins were seen. Trips to Catanduanes and to Sorsogón on the "mainland" and to Camarines Sur will be made by the writer in September for the express purpose of correlating these isolated coal areas.

Briefly, the geological section can be tabulated provisionally as follows: Eruptive (Mayón series), Pleistocene and recent; Galicia sandstone series, Pliocene (?); Bilbao coal measures, Miocene or early Pliocene (?); Viscaya limestone, Miocene or early Pliocene (?); Coal measures (Batan series), late Eocene; Basement, complex of igneous rocks, probably pre-Tertiary.

The large 2,000-feet-to-the-inch map of the island has been prepared to show the general geology of the whole island, topography and location of towns, trails, mining sites, and claims. The prominent hilltops were located by triangulation by the Coast and Geodetic Survey. The topography is for the most part sketch work, but checked from data obtained by traversing so that it has been made quite accurate as to the main features. The extraordinary jungle growth made this portion of the work well-nigh impossible on a more detailed basis. On the same map there are shown by means of dotted lines the areas, which have been mapped more in detail, of the present and past mining sites.^a

GENERAL GEOLOGY OF BATÁN ISLAND.

Confining our attention now to the island of Batán, we shall take up its geology in somewhat greater detail and with special reference to the coal deposits.

IGNEOUS BASE.

At the base of all the formations exposed on Batán Island there is a dark-green, fine-grained rock, at times showing marked porphyritic facies, which constitutes the long ridge from Calanaga Bay to East Point, outcrops in a large tongue-like mass at the entrance to Caracaran Bay, near the barrio of the same name, and again is seen as an outcrop on the shore at the visita of Liguán. This rock was also

^a This map on file in the office of the Chief of the Mining Bureau, P. I.

found as a float in two other places on the island, and they are of considerable consequence in their bearing on the geology of the economic deposits of the district. One of these is at Bilbao, where it was seen in the trail near the miners' camarine, and the other in the interior of the island in a small tributary of the Caracaran River near its headwaters.

It would seem, in the light of these findings, that the sediments in which the coal seams are included were more in the nature of a veneer of ocean-made débris laid down on the worn-down stump of a volcanic pile and raised to their present position by subsequent differential thrust from below. It is the writer's conception that phenomena somewhat analogous in the main to those recorded by Mr. R. T. Hill in his recent discussions of the evolution of the Windward Archipelago also obtained here, not only in Batán, but in many islands of the Philippine group. If this be true, there seems to be no great encouragement to deep mining, at least on Batán Island. This topic will receive a more exhaustive treatment in the final discussion.

This basement rock has been studied both megascopically and microscopically and found to be a peridotite carrying more or less amphibole and pyroxene in fresh samples, but in weathered specimens serpentine, one of the commonest products of weathering in igneous rocks, is seen to largely replace the original minerals. The serpentine is a fibrous, gray to greenish mineral, and gives the weathered surfaces a very striking appearance, reminding one very much of the similar rock exposed on the California coast. This rock is not a bedded deposit at all, but has in many places a well-defined secondary structure, a pseudo bedding, with a dip of 65° N. 45° W., and a second, less marked, 45° N. 75° E.

THE IRON FORMATION.

Resting on top of the igneous base is the remnant of a formation which was formerly, in all likelihood, very extensive and possibly quite thick, but now is represented by a few huge boulders of hematite and limonite on the slopes and even summits of the ridge from Calanaga Bay to East Point. Its former extension over other parts of the island is also attested by the presence, on the seashore near Liguán just above the igneous rock, of pebbles and boulders of iron ore; also by the presence of great quantities of quartz pebbles in the conglomerate at the base of the coal measures.

It is known that quartz in veins is of frequent occurrence in the iron deposits of the Lake Superior region. This, it is believed, is the source of the great quantity of quartz in the basal beds. If such an iron formation carrying quartz in the form of veins were subjected to the processes of erosion, the quartz, being the most refractory constituent, would, of course, be the last to disintegrate and be worn away by streams and the wash of the waves. As the igneous rock referred to contains no free quartz whatever, we are driven to this conclusion.

ORIGIN OF THE IRON ORE.

From field observations and our knowledge of the constitution of the igneous rock beneath we can see no other source for the iron than the igneous rock itself. The theoretical discussion of this whole

process is long and can not be dwelt on in this preliminary report, but suffice it to say that ascending underground waters leached out the iron disseminated in the rock in the minerals olivine, hornblende, magnetite, etc., transported it up into the formation above, whatever it may have been originally, and gradually replaced it, molecule for molecule, with iron.

Analyses of this iron and also the igneous rock are under way now at the bureau of government laboratories. As to its economic value not much, it is feared, can be said that will be favorable, for the reason that the deposit is not sufficiently continuous nor in great enough quantity to be able to compete with, say, the Bulacán deposits, which are more continuous and near Manila.

However, to the geologist who is interested in correlation over broad areas the presence of the formation is very important, for its presence over widely separated areas argues its probable occurrence in other unexplored districts where it may prove immensely valuable at some future time.

THE COAL MEASURES.

We come now to a consideration of the most important series of all the formations in the Mayón quadrangle, the coal measures. The use of the words "coal measures" is restricted to the series of shales, "grits," and sandstone in which we find the coal seams and does not include the great beds of limestones which separate the several coal horizons.

There are three distinct coal horizons on Batán Island, the highest of which has been the only one to be exploited commercially; but recent exploratory work has shown the two lower horizons to be much more valuable. Beginning with the lowest horizon, we find a "grit" of variable thickness, the exact amount of which could not be determined as the drills did not penetrate it entirely, nor could much be told from the exposure, owing to the heavy mantlelike talus which makes the prospector's and geologist's work exceedingly difficult. Above this "grit," which, by the way, becomes less coarse the farther removed geologically from the igneous rock and iron formation, is a rather complex series of shales, sandstone beds, and coal seams. By referring to any of the drill records 11, 11A, and 13 a better idea of these coal measures is to be had. Drill hole 13, for instance, shows twelve seams of coal, the thinnest being 6 inches thick, while the thickest is 3 feet 9 inches. It is estimated that the total thickness of this lower series is over 300 feet and may be even considerably more. No reliable means of telling are at hand, as the drill did not reach the lowest part of the measures in any place.

An examination of the drill record of 13, and others as well, will make it clear that there is no constancy in the character of the beds above and below the coal seams. In some cases there is a "grit" just above the coal with shale below it; then again, these conditions are reversed and the shale is above and "grit" below the coal seam. By referring to the geologic map (which, however, is still in preparation) the surface extent of this formation can be seen. Some portions of the boundary lines will be open to revision when some of the jungle is cleared away and more outcrops are obtained.

This set of coal measures is found beginning at sea level, with a lateral extent from the limestone escarpment just east of Liguán

westward along the coast to a point halfway between Liguán and the Government post storehouse, thence running as a broad belt up the slope of the hill to the northeast, swinging around more and more to the east when an elevation of 300 feet is reached.

As one walks along the beach eastward he comes soon to limestone cliffs, which continue almost to Tinicauan, the next visita eastward, when coal measures come in again.

From about where drill hole 13 is located limestone is the surface rock all the distance to the storehouse; then comes a break in the limestone, where coal measures succeed for 600 or 700 feet. From this point northwest the limestone continues almost without a break to Moncao Bay. These measures and limestone beds follow the same general course northeast, only to swing eastward higher up on the slopes of the mountain. How thick this second limestone is would, indeed, be hard to conjecture, though we might form some idea from its horizontal outcrop and its angle of dip. By the well-known rule that the thickness equals horizontal outcrop times the sin of the angle of dip, we would get a rough estimate, but not an exact one, as erosion has planed off some of its thickness, and land slipping has brought overlying coal measures down farther than they really belong. This computation would give 170 feet for the probable average thickness, which is, if anything, too low.

When we come to the uppermost beds of limestone, the bottom of which is somewhere in the neighborhood of the 500-foot elevation, a greatly increased thickness is found, for from this elevation to 1,000 feet, the summit of the ridge, is limestone almost continuous, save for one or two minor partings of shale, which are to be found in any great mass of limestone strata.

It has been found that this general sequence of beds prevails in the entire island from west to east; but these formations have not been mapped with any such degree of minuteness on the eastern half as on the ground included in the Government reservation. This is work laid out for the future, when it shall have been decided to develop the coal deposits of the district, and until such time were useless labor, as every foot of the ground traversed necessitates the use of the bolo.

In the eastern portion of the island, off the reservation, coal deposits were found on the south side in the vicinity of the barrio of Dapdap and the pueblo of Batán, dipping fairly constantly to the north, or a trifle east of north, at angle of 10° to 20° , and also on the north side of the island, at Bilbao and Calanaga, also dipping to the north at 20° . Considering the distance apart and the angle of dip, the beds on the north and south side could not be made to correlate. The natural tangent of 10° in a distance of even 1 mile would cause the beds of the southern half to be projected far below the Calanaga seams. However, folding might bring them up again, but a fairly close inspection of the intervening country by Lieutenants Markham and Wigmore, Mr. Oscar Halvorsen, former superintendent of explorations, and the writer revealed north and northeast dips only.

With what beds in the Liguán series are we to correlate these eastern outcrops? Those exposed on the south side of the island undoubtedly are continuations of the lower series near Liguán, as the writer found isolated outcrops at intervals of one-fourth to one-half mile all along the slopes of the southern range of hills and always

with a general northward dip and east-west strike. But when we come to correlate the Calanaga series there is more difficulty. From the very incomplete and preliminary work which the writer up to this time has been able to do on the stratigraphic problems of this district it is his opinion that the Calanaga beds are very much higher and hence younger geologically than the Ligan series. Possibly they are to be found continuous with a bed outcropping near the head of Moncao River, at 300 feet above sea level, on the northeast slope of the Ligan ridge. The appearance of the shales beneath and the limestone above, with the included fossils, seems to bear out this view.

No specific studies of the fauna of these beds have yet been made—merely general examinations so far—but even this has shown that they both have a very modern aspect. This comparison of faunas is a very slow and difficult work, but oftentimes the only means of correlation.

Further search may disclose the fact that these Moncao deposits simply continue around the contour of the hill and connect with the upper set of coal seams on the Ligan side, leaving the Calanaga seams in a higher horizon not found, or at least not discovered, on the north side of the Ligan ridge.

It is thus seen that the problem of the continuity of the seams and their correlation is by no means settled as yet. For the accomplishment of this much-desired end, more detailed prospecting in the jungle and more extensive, systematic, and deeper drilling is absolutely imperative before the whole truth be known.

North of the Moncao River no deposits of coal are known, and so calling those beds, mainly sandstones, conglomerates, and shales, the barren measures, we can leave them out of consideration in this paper and pass to other and more vital topics.

STRUCTURAL.

Some discussion of the folding occurring in the island has already been entered into, but attention is called to the several cross sections taken along different lines across small areas of the island and the larger generalized section across the whole island. These will outweigh any amount of verbal description.

There yet remain to be considered such topics as faulting, dikes, and kindred phenomena, so vital to mining operations. As one walks along the shore at low tide where good sections may be had of the strata—for example, near the western side of Mancao Bay, Batán Island, and near Cawauan, on Cacraray Island—minute faulting from a few inches to 1 or 2 feet may be seen, but faulting to a greater degree than this the writer has not yet seen either on Cacraray or Batán. Examination of the drill records and the topography in many localities, however, suggest strongly faulting of even a greater degree. One case is that shown by the records of drill holes No. 4 and No. 4A, located on the Urgera claim, near Ligan, where a discordance is fairly evident, and it is believed by Lieutenant Wigmore that there is a throw here equal almost to the thickness of the coal measures. This is, he says, borne out by the fact that the upper limestone of No. 4 is more like that in the bottom of No. 4A and the abrupt change of surface indications between the two holes. This is quite true, but simply the similar appearance of the limestones can

not be taken as conclusive proof of identity. In the absence of some one striking and wholly distinct stratum which can be used as an indicator the question can not be definitely settled.

Another example might well be shown of what may well be a fault, though the evidence is as yet not complete.*

However, simple removal by the ordinary processes of erosion might account for the conditions indicated in the diagram.

Preceding the American occupation some mining work was done on the old Urgera claim, but the work was abandoned for the reason that the coal seams ended in a fault. The direction of this fault is E. 10° S., with a hade of 10° S. The tunnel was never extended farther, so that we do not know how extensively broken up this seam is.

Further work on specimens in our possession used in connection with the drill records will probably reveal no inconsiderable faulting in the vicinity of Liguán. It is not believed that any appreciable faulting has occurred in the eastern half of the island.

At this point it might be well to discuss briefly the effect of the proximity of volcanoes to a coal field. There seems to be a prevailing idea in the minds of many that a volcano in the neighborhood of any series of sedimentary rocks would cause the strata to be much disturbed and broken up. Let it be once for all understood that a volcano is a point of relief, and that its effects, sometimes so appallingly destructive to human life, are almost negligible in comparison with the effects produced in the great regional movements of the earth. If the strata on Batán Island prove to be very much disturbed, the cause should be attributed rather to the great regional movements of the outer zone of the earth and not to the presence of volcanoes. Geologically speaking, volcanism is constructive and not destructive.

THE COAL SEAMS.

Brief discussion has been made of the occurrence of the coal measures, and it now devolves upon us to treat the coal seams as economic deposits.

In the area wherein the lower coal measures come to the surface (see vicinity map of Liguán, No. 16)^b there are no less than 23 outcrops of coal. These by no means signify that number of distinct coal seams. For the true number, thickness, and quality the records of the cluster of drill holes located near sea level should be consulted. The outcrops never give the true condition of the coal, and oftentimes the position and thickness of the seams are totally different from what is true in a considerable distance from the surface. Observations with regard to dip of the seams and analyses of outcrop samples are to be given considerable allowance for effects of land slipping, saturation with water, etc.

Drill hole 11D is the lowest hole topographically—14 feet above sea level—in these lower measures, and it showed two seams, 4 feet 10 inches and 4 feet 4 inches, respectively, the former at a depth of

* Illustration omitted in this pamphlet.

^b Map of portion of Batán Island Military Reservation, in the vicinity of Liguán.

15 feet and the latter at 60 feet, the intervening rock being arenaceous shale. Though the hole is 112 feet deep, it does not reach the lower limestone.

Drill-hole No. 13, a trifle over 200 feet distant along the line A D (see vicinity map No. 16), shows eleven seams, the thickest being 4 feet 11 inches. Now, with which seams of No. 13 to correlate those of No. 11D is one of the most puzzling problems encountered anywhere on the island. By making use of three drill holes not in the same plane the dip can be determined when any one bed which is constant and distinct enough to be used occurs in each bore. By projecting this stratum in each hole up to the plane in which it is found in any one, taking either the highest or lowest point of the stratum as the plane of reference (it is immaterial which is taken), the dip is readily computed. But when you have no one bed distinctive and constant enough to tie to, you are in difficulty right away; and this is just the trouble in many of the bore-hole sections of Batán Island. From the irregularity and almost total discordance between many of the bore holes close together it would seem that more violent disturbances had taken place or that the coal had pinched out, thickened, and thinned many times, but it is believed that the case is not really as bad as it at first appears. The writer is more of the opinion that difficulties in the drilling, casing, inability to obtain cores of all the strata passed through, and lack of care and knowledge on the part of the drill men, may be made to explain a great deal of the apparent discrepancy. In fact, the writer on examining the drill cores, found one or two cases of mislabeling.

If the dip between these holes can not be satisfactorily determined, we still have some idea of what the dip should be from observations made in the small prospect entry in the rear of the commanding officer's house, where the 7-foot seam of drill-hole 11D was entered approximately along its strike. At this point it is 65° N. 70° W. There seems to be no question but that this seam is found again in 11D, where two seams occur, the upper of which is 4 feet 10 inches and the lower 4 feet 4 inches. The former of these two corresponds to the upper one in the tunnel, the latter to the seam penetrated by the cross-cut eastward at approximately 30 feet from the main tunnel. Of course, there necessarily must be a radical change in the angle—a flattening out of the beds—to make these check up at all. The state of things here is about as represented in the following diagram.*

The coal found in these bore holes and the prospect tunnel has shown up well in both the analyses and calorific tests. Reference is invited to Table III. However, the seam in the prospect entry shows up some not altogether favorable features. Below is a sketch of actual conditions of the face on March 30, 1905.*

From day to day as the work progressed the face was watched closely, and the shale partings, "butter," were seen to thicken and thin and sometimes disappear, but always come in again. This, of course, if a persistent phenomenon, would militate seriously in the mining of the coal.

* Illustration omitted in this volume.

Clearly, from the high northwest dip on the west side of the igneous outcrop, the slickensided and broken appearance of the coal, and the southeast dip, found in the stream bed 220 yards east of the outcrop toward Tinicauan, we may argue the presence of an anticline. The apex would be well up on the side of the ridge, not at the top, for we are dealing with the lowest beds.

The coal in the upper or middle horizon shows up better, in the writer's opinion, than that in either of the other sets. Three seams have been penetrated in a number of places by drill holes, and entered by means of seven prospect tunnels, the two most important being that known as the Urgera mine, on the old Spanish claim of the same name, at an elevation of 210 feet, and the San Francisco, or "Big Tree," seam, at a height above sea level of 374 feet.

From a careful examination of the stratigraphic relations obtaining at these two workings the seams in the Urgera workings are to be correlated with those in the San Francisco tunnel, both workings being located more nearly on the line of strike, rather than along the line of dip. In the "Big Tree" the dip is 20° to 25° N. 15° to 25° W., while in the Urgera it has swung around more to the east, being N. 40° E., with an angle of 10° to 15° . Both coal beds have shale or fire-clay floors and a bed of coarse to gritty sandstone overlying. The coal in the two localities is very much the same, with the odds somewhat in favor of the "Big Tree" outcrop. In the "Big Tree" the coal held up to a thickness of $6\frac{1}{2}$ feet for 30 feet, when it pinched out, the roof running down to meet the floor, and not vice versa. This is very important, for it shows us that the formation is not a lenticular one, but it is believed merely a local "want." Lieutenant Wigmore thought it an old stream channel later filled with débris. The writer was unable to get far enough into the abandoned working to judge for himself. The purely local character of this "want" is made evident by the fact that in another entry in the same seam only a few feet away nothing of this character was seen at all.

The Urgera tunnel showed a total of 14 feet of coal, which great thickness is attributed to the "bunching up" along the crest of an anticline. The following is a sketch of an exposure on the surface just above the adit.*

But here again a fault was found having a south 80° E. direction and a hade of 10° (already referred to above). Both these coals possess a good face cleat, which would be of advantage in mining, have fair cohesiveness and little surface. Analyses of these coals are given in Table III, showing their favorable comparison with Japan, Wyoming, and British Columbia coals, which are of the same class.

THE CALANAGA SEAMS.

The seam most extensively worked at the Chifladura and Bilbao properties is one outcropping at the 25-foot contour line on the former property and 100 feet on the latter. At Calanaga the seam is 3 feet 5 inches thick, having a hard, dark shale floor and with a firm roof, requiring little timbering, with a dip of the whole of 20° N. 32° E.

* Illustration omitted in this volume.

The coal is, however, quite inferior to Liguan coal in that it comes very near to being a typical lignite, has very appreciable quantities of resin, iron pyrites (which of course mean sulphur), and shows a very decided tendency to crumble into little irregular cubes. But the worst feature of all is the ease with which it takes fire from spontaneous combustion. The old Bilbao working on the west side of Calanaga Bay had to be abandoned on account of fire in the mine, which started from no explosion, but simply from spontaneous combustion.

According to Professor Lewis and others, considered to be the ablest authorities on the subject of fires, explosions, etc., in mines, the causes of the spontaneous combustion of coal are: First, and chiefly, the condensation and absorption of oxygen from the air by the coal, which of itself causes heating, and this promotes the chemical combination of the volatile hydro-carbon in the coal and some of the carbon itself with the condensed oxygen. This process may be described as self-stimulating, so that, with conditions favorable, sufficient heat may be generated to cause the ignition of portions of the coal. The favorable conditions are: A moderately high external temperature; a broken condition of the coal, affording fresh surfaces for absorbing oxygen; a supply of air sufficient for the purpose, but not in the nature of a strong current adequate to remove the heat; a considerable percentage of volatile combustible matter or an extremely divided condition. Second, moisture acting on sulphur in the form of iron pyrites. The heating effect of this second cause is very small, and it acts rather by breaking the coal and presenting fresh surfaces for the absorption of oxygen.

The conditions found at both the Bilbao and the Calanaga workings seem to be almost precisely those outlined by Professor Lewis. When last visited by the writer the coal dump beneath the camarine at the Chifladura mine was on fire.

Nevertheless this coal has been used on small coastwise vessels for a number of years with fairly satisfactory results. In Table III is an analysis of the Bilbao coal. It is seen at once to be high in sulphur, more than would be good for boilers, contains over 12 per cent of moisture and 7 per cent of ash, nor is it either very high in fixed carbon or volatile matter. Its fuel ratio is less than 1. The analysis of the Chifladura coal has not been completed yet, but it is not expected to show up materially different. The question of fuel ratio, steaming values, and kindred points will come up for further discussion in the chapter on value and classification of the Batán coal.

A prospect entry located at an elevation of 10 feet above high tide, on the Bilbao property, near the company's office, was run into the hillside for a few feet to investigate an outcropping of another and lower seam. This had entirely caved in before the writer's visit and only the remains of the dump outside could be seen. Examination of this brought to light pebbles of quartz, "grit," and fragments of the underlying igneous rock were picked up which makes it quite possible that this seam corresponds to one of the lower Liguan seams. Neither the dip nor the thickness of the seam could be ascertained.

PRESENT METHODS OF MINING.

The small, large-scale maps and plans appended to this report show all the surface plants and plans of underground workings.^a

More exploratory work has been carried on in the vicinity of the Government post at Liguán than in any other portion of the island, but the bulk of actual mining has been confined to this eastern district.

As the operations in the eastern half preceded those in the western part of the district, they will be treated first.

BILBAO AND CHIFLADURA PROPERTIES.

The first attempts at coal mining on Batán Island were begun as early as 1842, when the governor of Albay, Velarde, worked and shipped its coal from the vicinity of Calanaga Bay. In 1847 Martín Verande made claim entries, but nothing very pretentious was put on foot until 1874, when the famous "La Paz" Company, which had previously been developing the Sugot property near Bacon, on the Albay coast, filed a number of claims, but before the proper proceedings had been gone through with for issuance of titles the company dissolved through lack of funds. The "La Paz" claims were named "Esperanza," "Filipnas," and "Albay," but as the concessions were never granted, their locations are not shown on the accompanying map.^a

By referring to the admirable rapid history of the coal measures of the Philippines, compiled by Mr. Burritt, former chief of this Bureau, we find that not until 1893 were more claims taken up, and all interest seems to have waned. But in that year claims were taken out by three different parties, the "Sodupe," of two pertenencias, by Gil Brothers, on December 20; the "Balerna," "Urgera," and "Ganalda," one pertenencia each, December 21, by Messrs. Villanueva & Co., and the "San Francisco," of four pertenencias, by Emilio Muñoz, December 30. In 1894 there was added to the Gil Brothers group of mines the "Bilbao," of four pertenencias, on December 20; the "Lukas y Josefa," of one pertenencia, and the "Chifladura," also of one pertenencia; and to the properties of Messrs. Villanueva & Co., the "Perseverancia," of one pertenencia. In March, 1895, Gil Brothers presented petitions for the "Presentación" and the "Olaveaga," of two pertenencias each. All the above concessions were granted. These represent all the first-class claims prior to the American occupation. At the time of the occupation a number of claims were pending, but titles have never been granted them, and since that time only very meager work has been carried on, and at this time there is no mining or development work being done anywhere on the island.

From the prospectus of the "Minas de Batán" company (Gil Brothers), we quote all that was known up to the time Lieutenant Markham's reconnoissance was made. As the latter was at the same time making a general survey of all the principal localities in the islands known to contain coal, for the military government, the information he could obtain in the short time at his disposal is somewhat meager.

^a Not printed with this volume.

To quote the prospectus—

There are seven veins explored up to the present time; they are nearly parallel to each other, with an average thickness of 1 meter and an inclination of approximately 25°. The workings are: Gallery No. 1, running in a direction of N. 20° W., transversely to the first vein, which is cut at 25 meters distance from the point of excavation. At this point a gallery following the vein has been opened, this gallery being worked for a distance of 23 meters in length. The transversal excavation continues, encountering the second vein nearly parallel to the first and 35 meters distant; this has been worked for 32 meters. And for vein No. 3 two galleries—Nos. 2 and 3—have been opened, situated at an elevation of 35 meters above No. 1, and both in a longitudinal sense, No. 2 being found at 10 meters elevation with a thickness of 1.1 meters and an inclination of 20° W. The other labors are prospects for investigation, and all of them promise a large quantity of coal.

According to the notes of Mr. Halvorsen, the Bilbao mine was opened in November, 1903, by Japanese miners under the supervision of Mr. Gato, also a Japanese, at the site shown on map No. 15,^a where they entered only one seam and made three different adits. It should be said, before proceeding further, that previous to this, in 1899, some Spaniards started in, but all got drunk and were discharged. In 1903 camarines, offices, tramway, and a small mill were all erected, and quite a prosperous looking community grew up in this quiet recess in the jungle. They had removed about 500 tons of coal, transporting it in small barges at high tide down the sluggish Calanaga River (hardly deserving the name), when fire broke out and so completely discouraged the company that it pulled up stakes and moved across the eastern side of the bay onto the Chifladura claim, where work was begun anew.

The method of working was very primitive both at the Bilbao mine and at the Chifladura, and was never planned, it seems, with a view to the future. These Japanese miners used no explosives and dislodged the coal by undercutting with their own peculiar hand picks, transporting it out on their backs up the steep incline of the tunnel. As there is a 4-inch clay parting about midway in the seam, they would first work out the coal from below the parting, remove the parting, leaving it in the mine, and then cut down the remainder of the coal from the roof. Mining here and at the Chifladura was always to the dip. This necessitated pumping, and when the writer was at the Chifladura great inconvenience was experienced through lack of a good pump.

About 80 per cent of the coal was removed by this method of mining. Very little timber was used save in the main tunnels, and when it commenced to become unsafe the whole mine was abandoned and a new tunnel started. At our last visit to this mine all the timbering had given way and a desolateness pervaded the whole place, which had been so thriving not two years before. Mine timbering in the Tropics will always be a serious proposition.

When the work was resumed at the Chifladura in October, 1904, Mr. Ikeda had charge of the work. His method of mining is about the same as his predecessor, but his timbering, we believe, much better.

^a Not printed with this volume.

COSTS OF MINING.

The following figures were obtained from the Japanese contractor, Mr. Ikeda, and are considered the most reliable. The work was piecework, the miners being paid 60 cents (Philippines currency) per ton if explosives were used, but 40 cents (Philippines currency) extra if not used, making 1 peso per ton. Below is a list of the men employed and their remuneration:

Contractor, per month.....	₱100.00
1 carpenter, per month.....	90.00
1 blacksmith, per month.....	75.00
1 foreman, per month.....	60.00
12 miners, per ton.....	1.00
4 Filipinos (outside work), per day.....	1.00
1 laborer (for repairing), per day.....	1.80

The contractor also received ₱2.20 a ton for all the coal mined, or ₱2.50 for it placed on the dock. The timbering was paid for by the company. Taking into consideration the cost of the tramway, the salaries of the foreman, carpenter, blacksmith, clerk, and overseer of the camarine where the coal is stored, the cost of the camarine, building of a dock, and other buildings of the plant, Mr. Ikeda estimates the total cost per ton at ₱4, sometimes as high as ₱5.

The company, which is a Spanish organization for the most part, is said to be capitalized at ₱1,000,000, which is distributed in 1,000 shares. It owns one small steamer, 2,700 tons, called *Minas de Batán*, which transports the larger part of its coal. Other boats, like the launch *Evening Star*, coal here regularly, or did before the mine was closed down. The output per day was on the average 22 tons, work being done in two 10-hour shifts, but a much greater output was looked for, as they had just opened a new and more promising entry. This coal sold in some cases at ₱8 (f. o. b.) in the bay of Calanaga.

At present freight rates from Legaspi to Manila are \$3 United States currency per ton, proportionately greater than those charged between San Francisco and Manila. However, these exorbitant rates must soon be reduced. Adding this rate to the cost per ton of mining under improved methods on a businesslike scale, the coal could still be obtained by the civil government or the army and navy at a lower figure than the lowest priced Japanese coal, which is quoted at Manila in 1905 at \$6.43 gold, and \$5.79 for Australian. These figures include the 10 per cent for insular purchasing agent's expenses. Were the coal on Batán Island mined by the government for the use of the army and navy, after considering the somewhat higher grades of the imported coals, such as Pocahontas, still a great saving could be made.

This question of cost, as far as it concerns mining operation carried on by the army and navy, has already received full and comprehensive treatment at the hands of Lieutenant Wigmore in his report to the Adjutant-General. The writer proposes in his final report, however, to more fully discuss the costs of exploratory work and mining work in general for the benefit of prospective investors. With this, the subject will be dismissed for the present.

MINING WORK ON THE MILITARY RESERVATION.

On the western end of the island little real mining was carried on, merely enough to get out quantities suitable for steaming tests. The work was nearly all confined to prospecting with diamond drills. Two drills were used, one a Bravo hand-power drill with a small bit giving a 1-inch core, the other a standard diamond drill yielding a 2-inch core. A Davis Calyx drill was ordered, but came out incomplete and could not be used. Twenty-three borings in all were made, as indicated on the large map, in the vicinity of Liguán, with the results already discussed in preceding pages. The cost of drill work was increased by many factors, among them being the rugged nature of the country, lack of water, the impenetrable forests, and the necessity of depending entirely upon carabaos for transportation. The cost per foot varied between \$1 gold and \$5, depending upon distance to which machinery had to be transported, accidents in casing, loss of diamonds, etc.

CLASSIFICATION OF COALS.

As there appears to be no little confusion and ignorance in the minds of many with reference to the proper classification of Philippine coals, it has been deemed advisable to outline the differences between bituminous and lignite coal and then to place our coals in their proper category. Because the coals are found in Tertiary strata is no reason for calling them lignites any more than it is no longer scientific to class all crystalline schists as pre-Cambrian. It is true, however, that a coal as young as the Tertiary is more liable to be lignitic than bituminous or anthracitic.

Many diverse criteria have been laid down for the distinction, but there seem to be three which are, according to Mr. Collyer, of the United States Geological Survey, to be taken as most reliable. It may be said here that this same question came up in connection with Alaskan coals, and Mr. Collyer and Doctor Hayes gave it some considerable attention in Bulletin 218, United States Geological Survey, on the Coal Resources of the Yukon, Alaska.

First, is the fuel ratio; second, content of water; third, physical character of the coal, woody structure, or otherwise. The fuel ratio is obtained by dividing the percentage of fixed carbon by the percentage of volatile matter. If the quotient is more than 1, then, according to the above authority, the coal should be classed as bituminous; if less than 1, as lignite. Practically this is the most important criterion, but logically the possession of woody structure is the most important, for that is what was in the mind of the man who first used the term "lignite"—the term means woody. It seems as though we had strayed from the original premise. However, the other distinctions have grown up and so demand attention.

The second criterion is the water content. If over 10 per cent, they say it is a lignite; but what has this to do with the term "lignite?" Still another criterion is the percentage of fixed carbon and that of volatile matter. According to Kemp, when the percentage of volatile matter is over 50 the coal is a lignite.

Grüner's classification, based on the ultimate analysis of the coal and the ratio of $\frac{O+N}{H}$, is also important, but owing to the analysis not being completed we shall have to forego consideration of it at this time.

To further simplify matters, Mr. Collyer has made use of what he calls the "lignite ratio," which is the quotient obtained by dividing the water content by the fuel ratio. When this is less than 10 the coal is to be classed in the bituminous series; if more than 10, with the lignites. By inspection of Table III we can quickly classify our various coals. It will be seen that the analyses following No. 26 all correspond to those of true lignites, but as many of these come from outcrops and prospect tunnels not over 50 feet in from the surface they will necessarily be lower than samples from the same seam if they could be taken from points more deeply buried. Numbers 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 25, and 26 in Lieutenant Wigmore's series are all to be classed as bituminous coals, according to every criteria. The Bilbao coal, No. 6-55 in the table, must, in all probability, be classed as a true lignite. Samples from the Chifladura mine are still in process of analysis, but it is not believed that they will improve much on the Bilbao coal.

VALUE OF BATÁN COALS.

Table II has been compiled with a view to giving an idea of how these coals compare in analysis and calorific power with other Philippine coals and many representative and well-known foreign coals that are being sold in the Manila market.

It is clearly seen that there is coal on Batán Island and in many places in the islands which compares most favorably with many coals that are used for steaming at sea and on land. In fact, the coal used by the engines that pull the Southern Pacific trains over the Sierra Nevada Mountains is not superior in any respect to our best Batán coal. This statement the writer feels fully justified in making from comparison of the analyses and the hand specimens, both of which are on his desk at the time of writing. In fact, Mr. Burt, ex-president of the Union Pacific Railroad, when shown samples of the two, said that the Batán coals are equally as good as their Union Pacific No. 1. And not only do the Batán coals compare so favorably, but samples from Cebú and the Island of Polillo also, whose analyses and calorific power are included in the table.

Of the quantity there can be no question. The tonnage per foot of thickness per acre for bituminous coal is generally estimated at 1,500 tons, and as there are several square miles of surface on Batán Island, to say nothing of the other localities underlain in all probability by coal seams 3 and 4 feet thick at least, it does not take very much figuring to settle this point.

Now comes the question, Can the coal be mined economically? This is the crux of the whole matter. In the writer's unbiased opinion, unless further drilling and tunneling show the coal seams to be more uniform and continuous, there will be no little difficulty in mining. However, every other feature of Batán Island is favorable,

and the coal-bearing strata are, in general, continuous over the larger part of the island.

Still the field has not been systematically prospected with drills, by any means, as it should be, and the writer can unhesitatingly say that it is worthy of further exploration under the personal and constant direction of an especially trained engineer, experienced in coal-field work. Such an engineer, then, would take over the work of management of the mines and work to a greater advantage than if he had had no part in the exploratory work that had gone before, and I believe that this is the idea that Lieutenant Wigmore himself entertains. A word here should be said in commendation of the work carried on by Lieutenant Wigmore, a work the first of its kind in the Philippine Archipelago. Though trained as an army officer, he has shown an unusual understanding of the importance of scientific geological work in connection with mining. The work he did has proved immensely valuable in spite of the many obstacles which he had to face.

One of the greatest needs for future exploratory work is at least one up-to-date diamond drill capable of penetrating at least 2,000 feet of strata, for besides being able to trace the deeper seams on the northern side of the island much very valuable information would be at the disposal of the stratigrapher which would not appear at first sight particularly vital to the layman. The importance of accurate geological facts which the geologist ought to have at his command is absolutely necessary in modern mining work. The day of nuggets and the ignorant prospector is past, and many of the largest fortunes are being made from the working of low-grade ores scientifically treated according to the principles of chemistry and physics.

It is almost certain that coal will never be exported from the islands in any great quantity, but it is believed that one or all the localities—Batán, Polillo, and Cebú—will furnish in time all the coal needed in the Archipelago for the army, navy, and civil government. The importance of a coaling station in time of war is self-evident and will not be dwelt on here. The above statement should probably be qualified by saying that in time of war a reserve of high-grade coal, such as the Pocahontas, should be kept on hand for high steaming.

Another feature connected with mining in the Philippines is very important—that is, the question of labor. So far the Igorotes are the only natives found fit for mining work of any kind, and for some time to come it is believed that Japanese will have to be employed for the best results in coal mining. The Bicolos of Albay Province as a rule show a great aversion to going underground, which, however, might be in time dispelled. Another characteristic of the native is his disinclination to work when he has a little money ahead. With a few pesos ahead, he will usually pull out for the nearest cockpit or wedding, and when he has spent it all he will come back. This is a trait inherent in his nature, and is not entirely his own fault. The only way for the mine manager to offset this “costumbre” is to keep on hand about a third more men than he daily employs for a reserve force.

In conclusion, the writer wishes to state that this brief and necessarily preliminary treatment will be much amplified in the final report, which it is hoped will be ready for publication in another month. In that he will make more specific and detailed recommendations for future exploration on the island of Batán. For the present a brief statement as to where a diamond drill can be of the greatest service must suffice. First, a boring should be made in the valley of the Moncao River at the point lowest in the topography, in order to pick up the coal seams in their northward extension. Second, one or two thousand-foot holes should be put down in the vicinity of the government post to obtain information as to the depth of the igneous basement. Third, a drill should be set up in the valley of the Calanaga River at the lowest point in its topography, in order to locate the lower horizons of the coal measures. And last, the San Francisco tunnel, the Urgera tunnel, and some new ones as well, should be extended to find out if the coal seams resume their normal condition and position.

To prospective investors of capital in coal-mining work it is only fair to say that whatever work is attempted must not be projected on too big a scale and without thorough calculations as to costs and market first, or with too overflowing enthusiasm, as these were the cause of most of the Spanish failures. Further, the Polillo and Cebú fields should be looked over carefully before deciding on investment.

Respectfully submitted.

WARREN D. SMITH,
Geologist, Mining Bureau.

Official copy respectfully furnished Lieut. H. L. Wigmore, U. S. Army.

H. D. McCASKEY,
Chief of the Mining Bureau.

TABLE I.—*Temperatures and rainfall at the Legaspi station.*

Month.	Temperature. ^a			Rainfall.	
	Maximum.	Minimum.	Average.	Millimeter.	Rainy days.
1903.					
May	32.6	22.8	27.7	81.4	15
June	36.2	23.5	29.8	99.0	6
July	35.0	21.5	28.2	194.0	25
August	35.8	21.9	28.8	80.3	9
September	35.0	31.8	33.4	124.3	19
October	34.0	21.4	27.7	261.4	17
November	33.9	20.5	27.2	442.8	22
December ^b					
1904.					
January	30.9	21.5	25.6	799.3	37
February	31.1	17.0	24.8	544.9	18
March	30.9	23.1	26.7	126.3	9
April	30.9	23.8	26.9	168.8	21
Total				c 2,222.5	

^a Centigrade.^b Missing.^c Or 87.5 inches.TABLE II.—*Analyses of Philippine and foreign coals.*

Locality.	Age.	Moisture.	Fixed carbon.	Volatile combustible.	Sulphur.	Ash.	Specific gravity.	Calorific.	Cost in Manila.
Liguan, Batán Island	Tertiary	5.62	54.42	38.68	0.14	1.28	1.85		
Do	do	9.53	44.86	41.56	2.37	4.05	1.90	60637	
Do	do	6.08	51.24	40.38	.40	2.32	1.80	6487	
Bilbao, Batán Island	do	12.18	37.96	42.84	1.97	7.02	1.37		
Liguan, Batán Island	do	5.82	52.40	40.29	.66	1.49	1.56		
Cebu, Caridad Gallery	do	9.60	54.56	34.53		1.31	1.31	7012	
Cebu, Esperanza Gallery	do	7.80	51.96	37.56		2.68		7481	
Polillo	do	4.70	50.10	43.60	.28	1.70		6897	
Kishima, Japan	do	2.00	42.60	41.70	2.60	13.70			\$5.38
Yubari, Hokkaido	Cretaceous.	1.64	53.10	39.20	2.18	4.20			
Mukden, Manchuria	do	.82	74.56	9.03	2.14	14.68			
Milke Chihuko, Japan	Tertiary	.70	48.85	42.15	3.34	8.30	1.278		a 9.00
Japanese (pile at Government ice plant).		1.19	56.86	31.22		10.73			
Nanaimo, B. C.	Cretaceous.	1.88	54.67	33.27	.73	9.40			
Kootenai, B. C.	do	.90	70.99	22.19	.82	5.60			
Pocahontas, Va.	do	1.00	74.39	21.00	.58	3.03			5.81
Roslyn, Wash.	Tertiary?	2.90	50.60	31.60	.54	14.90			
Nation R., Alaska	do	1.39	55.55	40.02	2.96	3.04			
Drew mine, Alaska	do	14.44	33.77	47.15		4.64			
Mulato, Yukon	do	.86	66.51	25.75		6.88			
Chignik, Alaska	do	1.89	48.46	41.47	1.91	8.18			
Walkato, New Zealand	do	19.82	50.01	29.79		2.20			
Sheridan, Wyo.	do	6.04	35.57	42.37		16.02			
Deer Creek, Wyo.	do	12.80	47.70	35.00		3.60			
Sabine field, Texas	do	1.37	68.18	16.42		13.02			
Eagle mine, Texas	do	3.54	50.69	30.84		14.98			
Danville, Ill.	do	11.00	53.00	32.80		3.60			
Clay County, Ind.	do	7.00	47.30	45.00		2.50			
El Moro, Colo.	do	1.32	55.88	38.23		3.59			
John Day R., Oregon	do	6.54	52.41	34.45	.65	5.95			
Cooe Bay, Oregon	do	15.45	34.95	41.55	2.53	8.05		4565	
Australia	do	2.63	55.67	33.15		8.55			
(Sold in Manila market.)									

* It is believed that this is an error in the original manuscript received from Manila, this being intended for \$5.81 and the price of Pocahontas for \$9.

TABLE III.—Analyses of Batán coals.

Locality.	Num- ber.	Mols- ture.	Fixed car- bon.	Vola- tile com- busti- ble.	Sul- phur.	Ash.	Color of ash.	Coke.	Spe- cific grav- ity.
Outcrop "Big Tree" seam, San Francisco.	1	6.90	40.00	36.90	0.83	16.20	White.	.....	.....
Do.	2a	9.92	49.00	37.86	.....	8.22	(a)	.....	.....
Do.	2b	9.40	43.80	38.50	.31	8.30	White.	.....	1.368
Interior "Big Tree," 8 feet from mouth.	3	6.30	46.80	39.40	.53	7.50	do.	.....	.....
Interior "Big Tree," east side.	4	6.40	45.50	39.70	.45	7.40	do.	.....	.....
Interior "Big Tree," across seam.	5	6.50	46.00	40.60	.60	6.90	do.	.....	.....
San Francisco	7 B. T.	5.80	44.50	41.20	.42	8.50	.....	.....	.....
Do.	8 B. T.	6.00	44.00	42.20	.49	7.80	.....	.....	.....
Drill hole No. 4A, seam No. 1, Liguán.	9	5.74	43.80	39.96	.66	5.70	Yellow.	None.	1.57
Drill hole No. 4A, seam No. 2, Liguán.	10	5.82	52.40	40.29	.66	1.49	Orange.	None.	1.58
Drill hole No. 4A, seam No. 3, Liguán.	11	5.17	45.91	41.28	.96	7.64	Brown.	None.	1.64
Drill hole No. 4A, seam No. 4, Liguán.	12	5.47	44.51	40.23	2.17	9.79	Gray.	None.	1.53
Drill hole No. 4A, seam No. 5, Liguán.	13	5.89	45.04	39.68	.97	9.39	Brown.	None.	1.57
Drill hole No. 4A, seam No. 6, Liguán.	14	5.83	43.82	40.16	2.09	10.19	Gray.	None.	1.60
Drill hole No. 11, seam at 66 feet, Liguán.	15	4.53	46.96	45.89	.59	2.62	.....	None.	.....
Drill hole No. 13, seam No. 3, Liguán.	16	5.03	47.15	40.82	.45	7.00	.....	None.	1.41
Drill hole No. 13, seam No. 4, Liguán.	17	5.10	44.20	45.86	.18	4.84	.....	None.	1.40
Drill hole No. 13, seam No. 5, Liguán.	18	5.08	50.31	42.06	.25	2.58	.....	None.	1.41
Drill hole No. 13, seam No. 6, Liguán.	19	5.39	48.28	38.23	.26	10.10	.....	None.	1.46
Drill hole No. 13, seam No. 7, Liguán.	20	5.38	51.96	39.62	.11	3.04	.....	None.	1.37
Drill hole No. 11B, seam No. 1, Liguán.	21	5.62	54.42	38.68	.14	1.28	.....	None.	1.36
Drill hole No. 11B, seam No. 2, Liguán.	22	4.88	43.09	45.47	.12	6.56	.....	None.	1.47
Batán, Bett's	23	11.09	40.67	44.02	2.36	4.22	.....	None.	1.40
Stream bed center of island	24	14.82	37.06	43.28	1.33	4.84	.....	.....	1.52
Cross-cut entry No. 4, Liguán.	25	9.53	44.86	41.56	2.37	4.05	.....	.....	1.30
Face of entry No. 4, Liguán	26	6.08	51.24	40.36	.40	2.32	.....	.....	1.30
	2-55	17.56	35.56	42.72	2.23	4.16	.....	.....	1.37
	3-55	17.18	39.25	39.08	1.15	5.49	.....	.....	1.38
	4-55	17.88	34.77	41.32	2.10	6.03	.....	.....	1.32
	5-55	12.18	37.96	42.84	1.97	7.02	.....	.....	1.57
	6-55	7.40	45.06	40.84	1.62	8.70	.....	.....	1.33
	7-55	17.22	25.77	51.08	2.16	5.93	.....	.....	1.35
	8-55	17.77	32.71	45.18	2.00	4.94	.....	.....	1.35
	9-55	18.96	32.79	43.14	2.15	5.11	.....	.....	1.30
	10-55	9.86	38.39	47.53	2.73	3.67	.....	.....	1.29
	11-55	11.35	41.01	45.75	2.00	1.89	.....	.....	1.31
	1-65	13.30	35.88	40.44	.38	5.58	.....	.....	1.31
	2-65	15.33	40.45	42.05	1.03	2.17	.....	.....	1.36
	3-65	17.06	33.59	46.26	1.24	3.08	.....	.....	1.32
	4-65	5.10	36.31	41.81	1.11	16.78	.....	.....	1.34
Bilbao.									

a Yellow to gray-white.

**REPORT OF AN EXAMINATION OF THE COAL DEPOSITS OF
POLILLO ISLAND, P. I., BY H. L. WIGMORE, FIRST LIEUTENANT,
CORPS OF ENGINEERS.**

MANILA, July 11, 1905.

THE MILITARY SECRETARY,
Philippines Division, Manila, P. I.

SIR: I have the honor to report that, pursuant to paragraph 9, Special Orders, No. 127, Headquarters, Philippines Division, Manila, P. I., June 3, 1905, I left Manila June 4 for the island of Polillo, arriving at the barrio of Burdeos, on that island, on June 14. I left that barrio on the 18th of June, arriving in Manila June 26.

The results of my investigations of the coal deposits on Polillo Island are given below. It should be understood, however, that only by long, careful, and detailed examination, both of the surface by eye and instruments and of the underlying strata by drills, can positive or accurate statements of stratigraphical features of the island of Polillo be made, for, as is the case with the other islands of this archipelago, volcanic movements were undoubtedly the source of its formation, and as yet there is not sufficient geological knowledge of these islands to enable one, when certain conditions are found in any locality, to say that certain other conditions will also be found as corollaries of the first.

THE ISLAND OF POLILLO GEOGRAPHICALLY.

Polillo Island is situated on the Pacific Ocean due east from Binangonan de Lampon a distance of about 20 miles, the town of Polillo, the only one of any importance on the island, being situated on the southern part of the western coast in latitude $14^{\circ} 45' N.$ and longitude $122^{\circ} E.$ The island is about 50 miles long and 12 miles wide, its longest direction being about north and south. The east coast is screened by a chain of small islands with deep-water channels between them and the main island, though from all that is known these passages are very intricate and dangerous. The only known harbor is that of the town of Polillo, which is a good one at all seasons. The country rises from the east and west shores to a low chain of hills in the center, none of which appear to exceed 1,400 feet in height. Both slopes are heavily wooded and covered with undergrowth, though the timber is generally of a very inferior variety. The east coast is flat for a distance of 2 miles or more, when the rise then begins leading to the main ridge. This east slope is cut up by innumerable creeks and rivers, which run in a general easterly direction and have formed deep canyons, so that progressing north or south on this slope one is continually climbing up and down steep slopes of anywhere from 50 to 200 feet in height. Going westward,

steep hogbacks or the creek beds have to be followed. It is in these creek beds that coal outcroppings have been found, but few having been located elsewhere.

COAL DISCOVERIES.

That coal was to be found on the island of Polillo has long been known to the mining bureau, but in 1904 Lieutenant Wray, of the Philippine Scouts, while on a scouting expedition, found numerous outcrops, which was the first authentic information of the existence of coal here. The Polillo Land Company was then formed, composed of Colonel Bandholtz, Philippine Constabulary; Lieutenant Wray, Philippine Scouts; Mr. Grant, and Judge McCabe, and as allowed by law, two claims were entered in the company's name, these claims covering the first-found outcrops. Since then this company has been searching for more outcrops, and have laid off for other parties 16 additional claims and are at present at work locating 10 more, making a total of 28 claims, which will cover all the land upon which outcrops have been discovered. A map showing the claims and their positions on the island is attached hereto.* This map was made by Mr. W. H. Simpson, the surveyor for the company. The topographical features of the country are only very generally shown. The dips of the coal and other data were put on by myself, as also were the soundings and shoal-water lines of the harbor.

COAL AND COAL OUTCROPS.

The examination of these was made by going to what I was informed were the best-defined outcrops in the southeast quarter of the southernmost claim, then following in the general direction of their strike the chain of outcrops extending from here to the headwaters of the Guinibauan River. These streams were then followed down to the flats. An examination of the Amut River outcrops was also made. The outcrops in the northern claims were not examined, as I was told that they were exposed in a less favorable manner for determination of thickness or dip and that the general features of the country were the same.

I found the following to be the situation:

The outcrop (which for convenience will be called the Wray seam) marked by a star in the southern quarter of the Polillo Land Company's holdings is being worked now in conjunction with that marked by a star in the second quarter claim to the east for the purpose of taking out 20 tons of coal for trial and test. The outcrop first mentioned is the one most confidence is placed in, and the coal there is apparently better than in the other. This outcrop was at first believed to be 12 feet thick from the way in which it was exposed. On opening it up, however, it developed to be 4 feet thick, and is now holding at that. In one or two other places this kind of exposure was found, which at first glance would give an exaggerated idea of its thickness, but careful examination would show the true position and reduce its thickness considerably.

The stream bed above (west) the Wray seam shows five outcrops, one of which dips in the same direction as the Wray seam and is un-

* Map not printed.

doubtedly the same seam. The other four dip toward the Wray seam, and one of these is probably the same seam. But four distinct seams may then be counted on, all of which are 4 feet thick; but it can not be positively said that these may not be reappearance of the same seam or of two seams. Only examination by slope work or drills can give positive information. The chances are all, however, in favor of there being four seams. Of all locations where outcrops were found, from this one only can any definite conclusions be arrived at. It is impossible to say from any other outcrop whether it is one of these four seams or still another. The different dips and strikes found, as shown on the map, indicate without doubt a folded condition of the strata. No evidence of any large faults were found, but a small abrupt fold was seen in the bed of the Guinibuaun River, so that it can not be stated that faults do not exist.

The general strike of the strata is north and south, and the probability is that the outcrops lying in the western claims belong to one set of seams, while those shown in the eastern claims may be different. Volcanic rock can be traced along the westerly line of the western claims, and, as might be expected, no outcrops of coal are found to the westward of this rock, which apparently lies under the coal measures.

Limestone is found only along the shores and is undoubtedly in place here. From the absence of any limestone boulders in the rising ground it is thought that this may also underlie the coal measures, but it is impossible to say what its true place in the stratigraphic column is. It may, however, be said with confidence that an abundance of coal is covered by the holdings shown on the map and those now being laid out (which it is believed will cover all outcroppings). What figures its tonnage will reach can only be told by very careful examination. At the same time, due to lack of knowledge of this country, it does not appear that it would be a wise proposition to put any money into a mining plant until information as to the tonnage available is obtained by thorough examination of some kind.

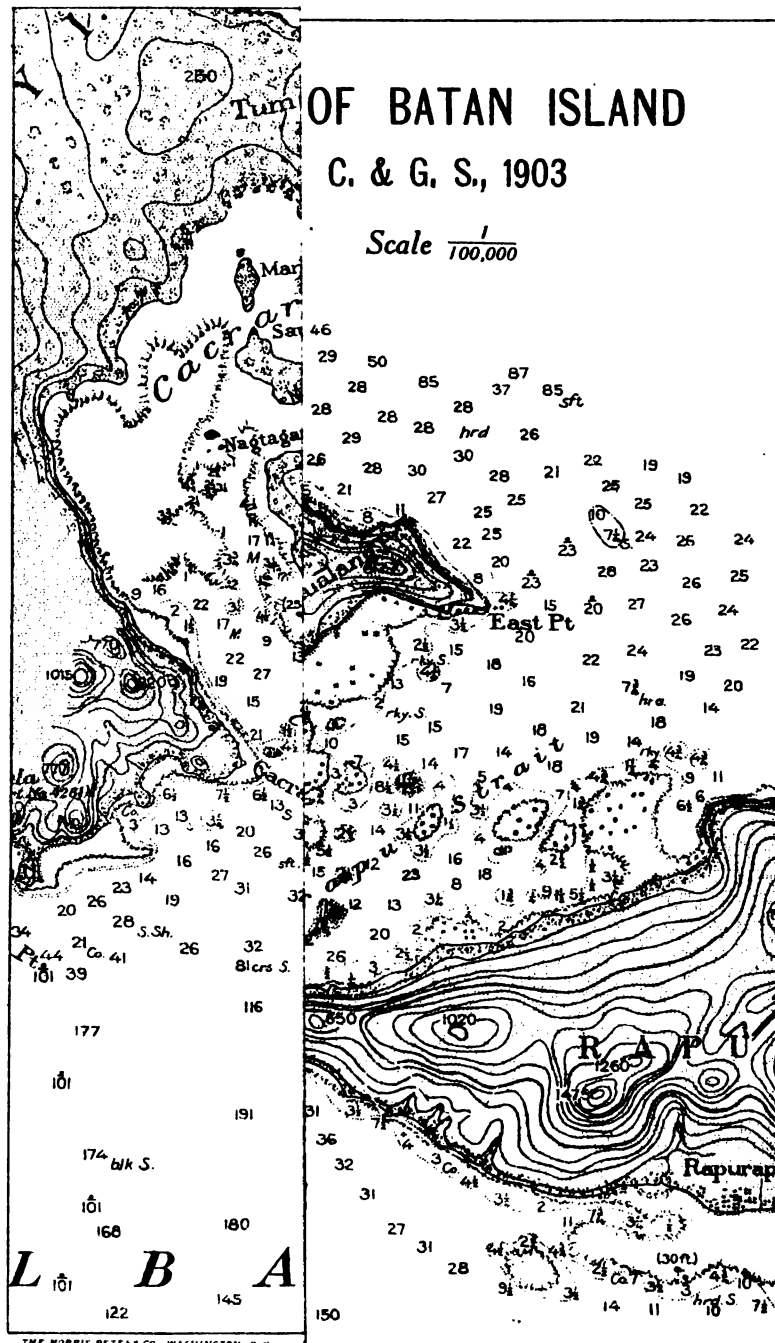
FEATURES OF THE COAL.

The analysis following was made of this coal by Mr. Paul Fox, of the civil government laboratory, from a sample furnished by the company, taken from a small block of coal. This analysis shows the coal to be a good steaming coal, so far as may be determined by this method. The trial of the 20 tons will give more reliable data.

The Wray seam is composed of two distinct classes of coal, the lower 2 feet being very hard, with a dull brownish sandy fracture, and very dusty, while the upper 2 feet breaks up rather easily (but will very probably get harder as the seam is followed) with a black lustrous fracture.

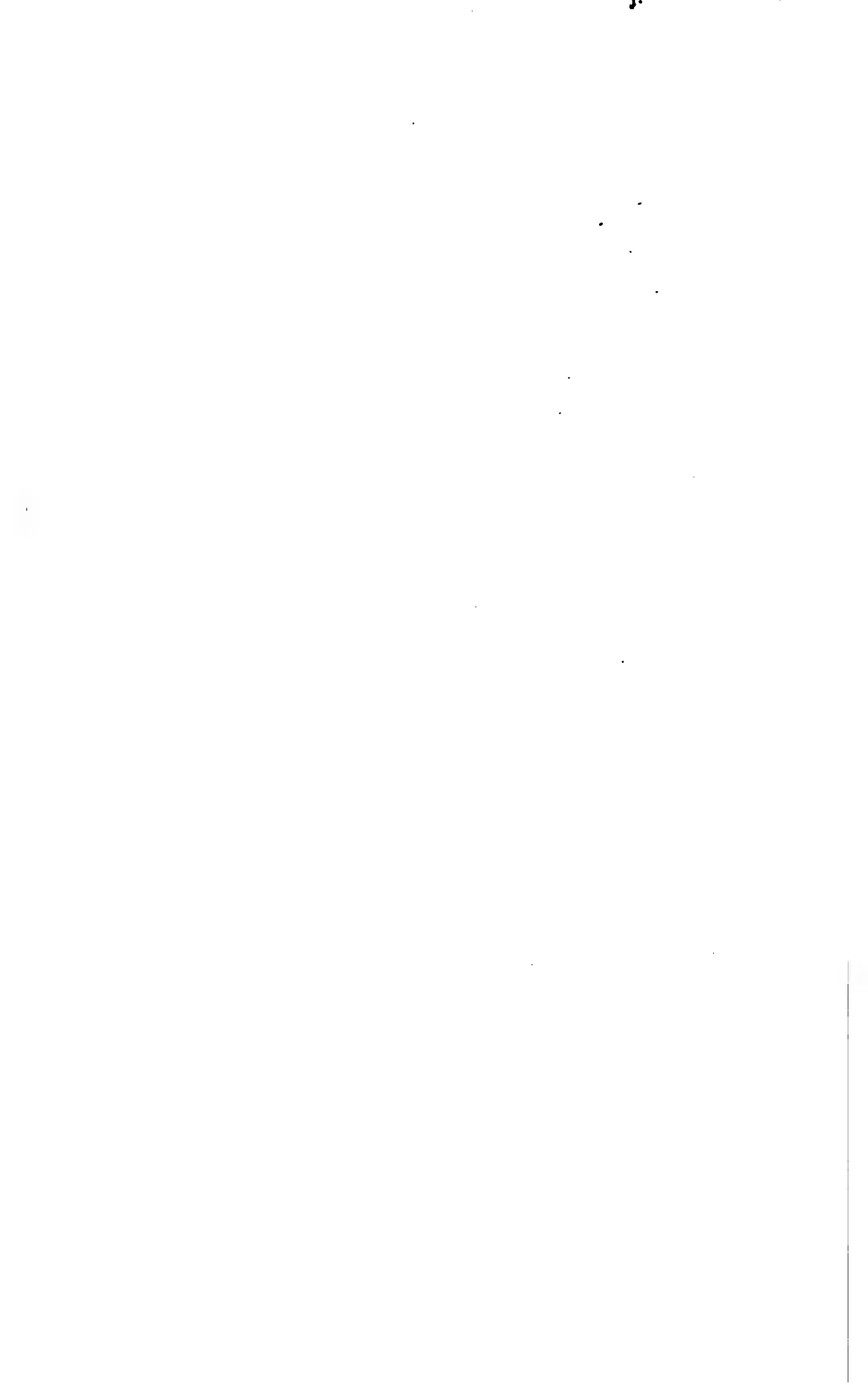
Analysis.

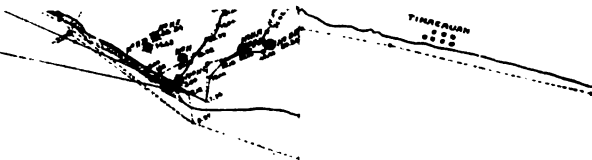
	Per cent.
Moisture	4.7
Volatile combustible	43.5
Fixed combustible	50.1
Ash	1.7
	<hr/>
	100.0
Sulphur28
Ash, red.	
Somewhat coherent coke.	



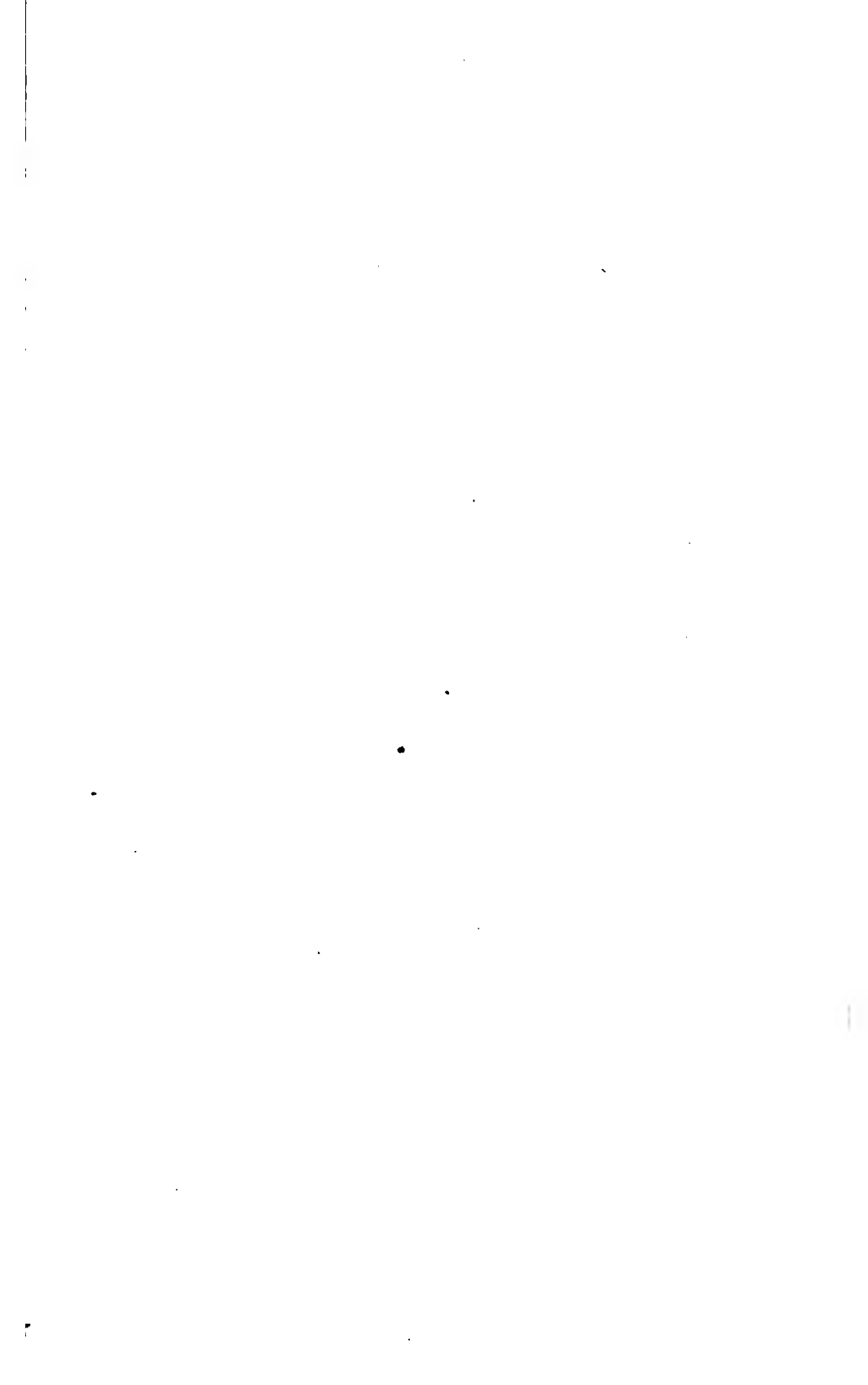
THE NORRIS PETERS CO. WASHINGTON, D. C.

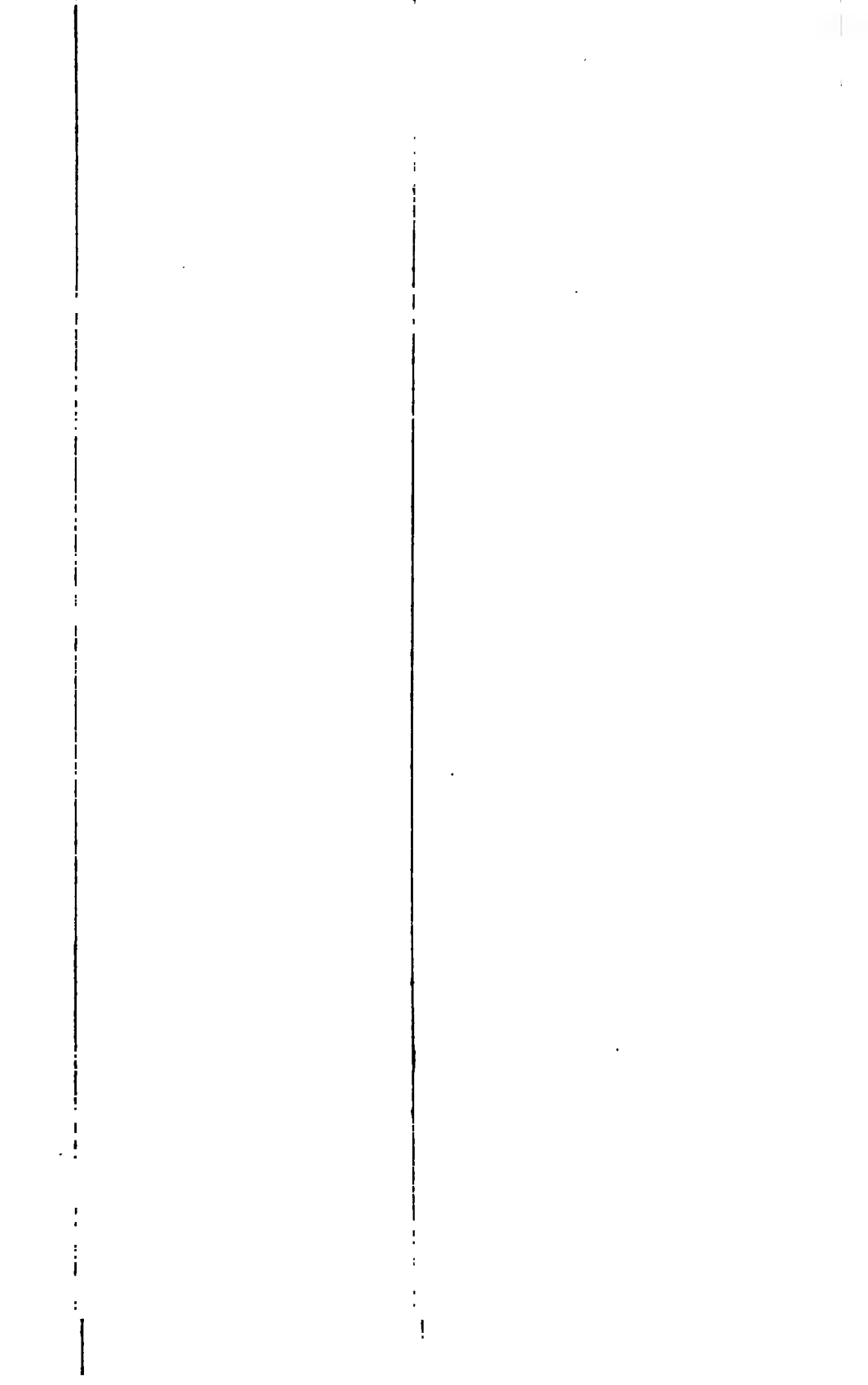
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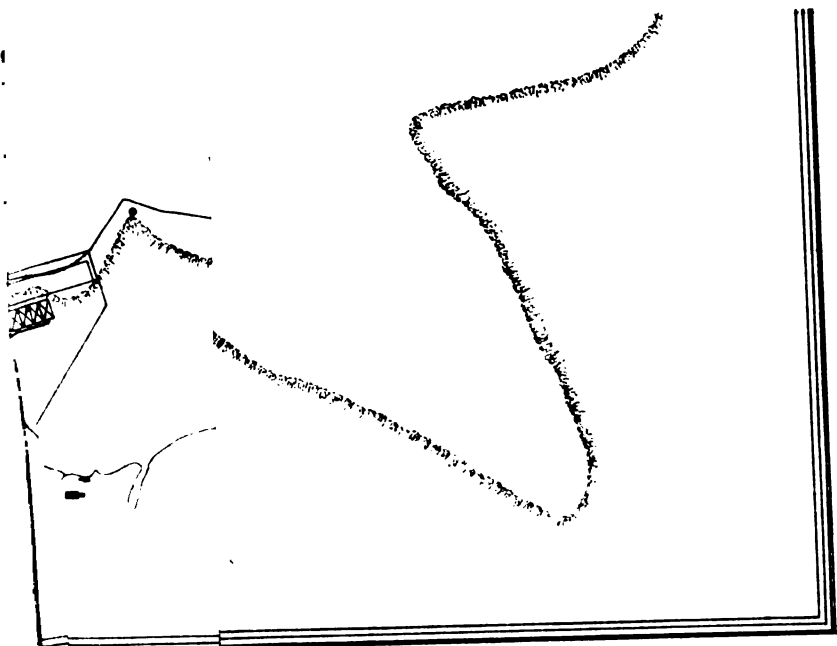
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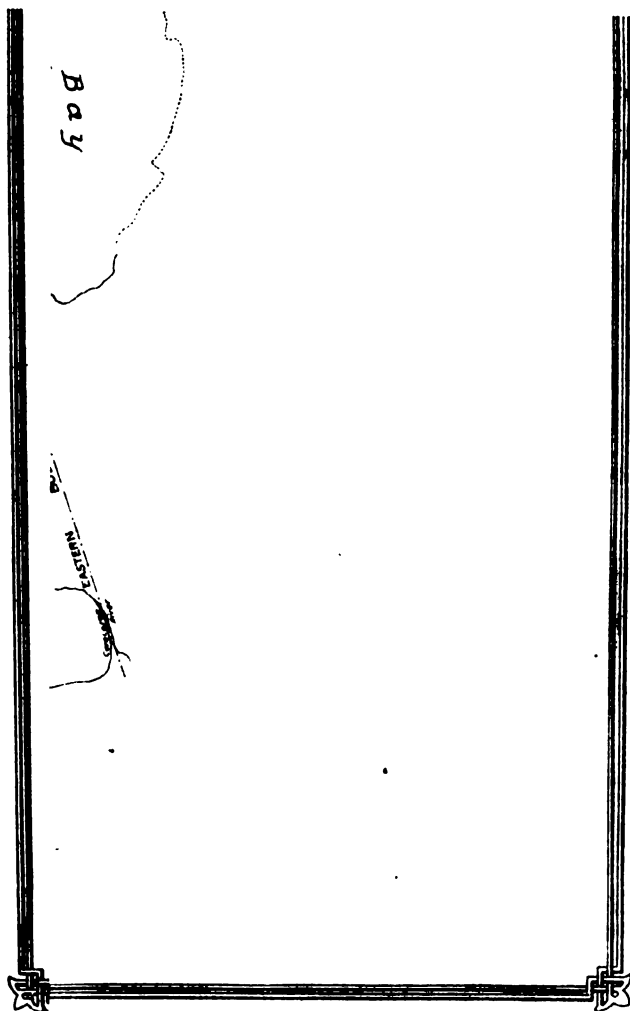






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Indaguen

TIMBER AND TRANSPORTATION.

Timber for all purposes is plentiful, though as said before it is of the inferior varieties. There would be little difficulty in building railroad lines to the eastern line of the eastern claims, should entries ever be made here, as the country to these lines is very flat, the distance from the best shipping point on the shore varying from 1 to 3 miles. Entrance by drifts at these points would, however, be expensive if the intention should be to reach the seams which at present seem to be most favorable for beginning work. A railroad to these outcrops would be difficult if not entirely too expensive, and some system of rope haulage would probably have to be adopted, which would also mean an expensive beginning on account of its length.

HARBOR.

As far as a general examination will permit it may be said that the harbor is very good. Wharves may be built from several places along the shore at no unusual expense for deep-water vessels. The low islands of Palasan and Icalong protect the harbor from the north-east monsoons, and should the width of the harbor and the small height of the above-mentioned islands give an opportunity for an unusually heavy wind to render the east shore dangerous, a safe anchorage would be found on the west shore of the islands mentioned. Where the plus mark is used after soundings on the map it indicates that no bottom was reached at that depth. It is believed that the basin off the Butúan River, which is protected by a shoal, would be the best place to locate the shipping point. The entrance to this harbor should be sought to the eastward of the islands of Icalong and Palasan, between which a deep channel exists. Entrance from the south between Polillo and the islands of Patnanongan and Palasan is possible, but the channel is long (some 6 miles), intricate, and dangerous, and unless thoroughly buoyed not navigable for large vessels.

WATER.

Fresh water of excellent quality is present in abundance, though, as where any head is reached it is small in volume, it is not believed to be available for furnishing power.

COMPARISON WITH THE BATÁN COAL FIELDS OF THE GOVERNMENT.

Considering the original conditions of each field before exploration work was done on Batán, the comparison is slightly in favor of the Batán fields. Outcrops in any unit area would indicate approximately equal amounts of coal, while the external appearance of the Batán coal is slightly superior to that of the Polillo. The outcrops on Batán are more accessible and the country is not so cut up by deep ravines which cross the strike of the measures. The height of coal above entry point is about equal in both cases, so that the use of gravity drainage may be effected in both fields to about the same extent. The timber supply in both fields is ample for mining purposes,

while that of Batán is superior in quality, and thus valuable for other uses. Transportation from mine to docks will be much cheaper, both in initial expense and maintenance, on Batán. From a general examination of the shores of the Polillo field timber wharves may be installed. But maintenance of these will be expensive. Cost of installation of iron wharves will be about the same. Harbor features at Batán are superior.

Regarded as a coaling station or point of supply for the Army, the location of Polillo is much inferior to Batán. A glance at the map shows that water haulage from the Polillo field to any proposed railroad terminus is 54 miles, against 15 from Batán. The Polillo field is 225 miles from San Bernardino light, against 50 miles from Batán to the same point. The additional distance for steamers from Guam to Polillo over that from Guam to San Bernardino is 110 miles, while that to Batán is negligible.

As regards the present condition of the two fields, Batán is superior. On Batán a great part of the preliminary work necessary before establishing a mine has been done, while at Polillo the investigations made on Batán are still necessary before definite information can be had. The total amount of coal on Polillo is probably greater than that on Batán, but where sufficient is available for the purposes for which required any supply in excess would be an additional expense for acquirement of property for which there would be no need.

Respectfully submitted.

H. L. WIGMORE,
First Lieutenant, Corps of Engineers.

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